



COSCO SHIPPING Ports Limited
中遠海運港口有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

DRIVING SUSTAINABLE GROWTH FOR VALUE CREATION





CONTENTS

Chapter 1	About this Report	2	Chapter 12	Appendices	86
Chapter 2	Statement of the Board	5		Key Performance Indicators	86
Chapter 3	Chairman's Message	6		GRI Content Index	98
Chapter 4	Managing Director's Message	8		The ESG Reporting Guide of the SEHK	104
Chapter 5	About COSCO SHIPPING Ports	10		Relevant Initiatives aligned with the United Nations SDGs	109
Chapter 6	Stakeholder Engagement and Materiality Assessment	26		Boundary Mapping of Material Topics	110
Chapter 7	Caring for Our People	34		Verification Statement	111
Chapter 8	Customers First	46		Report Survey Questionnaire	112
Chapter 9	Green Development	56		Abbreviations	113
Chapter 10	Win-win Cooperation	72			
Chapter 11	Investing in Communities	80			

CHAPTER 1

ABOUT THIS REPORT



COSCO SHIPPING Ports and its subsidiaries (the “Subsidiaries”) as well as its joint ventures and associates (the “Non-controlling Terminals”) are committed to integrating sustainability into the daily operations and long-term business strategy, and actively optimising the management approach and performance related to key environmental, social and governance topics. We are dedicated to maintaining our achievements in sustainability and believe that implementing the concept of sustainability is the key to become a market leader. This report is the sixth corporate sustainability report after the restructuring of COSCO SHIPPING Ports, which aims to provide a timely, accurate and comprehensive account to various stakeholders and sectors of our society, with an illustration on the principles upheld and work implemented by the Group in fulfilling its corporate social responsibilities as well as an annual update on the Group’s sustainability work. We continue to echo with the United Nations Sustainable Development Goals (the “SDGs”) while fulfilling our social responsibility to promote sustainability and create positive and long-term value for our stakeholders.



REPORTING STANDARD

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 27 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “SEHK”), and is prepared in accordance with the “Core” option of the Global Reporting Initiative (the “GRI”) standards.

REPORTING PRINCIPLES

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

- **Materiality:** The Company regularly engages with stakeholders to identify material issues. The board of directors of the Company (the “Board”) confirms the materiality and reports accordingly.
- **Quantitative:** This report provides the key performance data of the past three years, and clearly states the standards of calculation, methods and assumptions.
- **Balance:** This report provides an unbiased perspective of the environmental, social and governance performance of the Company and the terminals in 2021 to avoid influencing reader’s decision making and judgement.
- **Consistency:** The key performance indicators in this report are calculated using consistent methodology for meaningful comparisons in the future. Changes in the calculation methodology or key performance indicators are indicated in the footnotes.

REPORTING SCOPE

This report describes the environmental, social and governance performance and initiatives of the Company and its terminals for the period from 1 January to 31 December 2021. As of 31 December 2021, the Company had a total of 15 Subsidiaries and 31 Non-controlling Terminals. The reporting scope for the year remains the same as 2020, covering 13 Subsidiaries and 13 Non-controlling Terminals, in aggregate accounting for approximately 69.4% of the Group's equity throughput in 2021.

The 26 Terminals within the Scope of this Report¹

Subsidiaries	Non-controlling Terminals
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	1. Asia Container Terminal 2. COSCO-HIT Terminal 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 ² 10. Yantian Terminal Phase III ² 11. Guangzhou Nansha Stevedoring Terminal
Overseas	Overseas
9. Piraeus Terminal (Greece) 10. CSP Zeebrugge Terminal (Belgium) 11. CSP Abu Dhabi Terminal (United Arab Emirates) 12. CSP Valencia Terminal (Spain) ³ 13. CSP Bilbao Terminal (Spain) ³	12. COSCO-PSA Terminal (Singapore) 13. Kumport Terminal (Turkey)

INDEPENDENT VERIFICATION

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

ENDORSEMENT AND APPROVAL

This report was endorsed and approved by the Board on 30 March 2022.

ACCESS TO THIS REPORT

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

FEEDBACK AND COMMENT

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

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

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

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

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

CHAPTER 2

STATEMENT OF THE BOARD

The Board of COSCO SHIPPING Ports acknowledges the importance of sustainable development, and is committed to guiding the Company to continuously improve the management and practice of environmental, social and governance issues with the aim of managing related risks properly as well as minimising the impact of our business operations on the environment and societies.

The Board is responsible for overseeing the Company's overall management directions and strategies of environmental, social and governance issues, and reviewing and approval of sustainability reports. To enhance effective management and implementation of sustainability-related issues, in March 2021, the Board decided to expand the terms of reference of the former Corporate Governance Committee by officially incorporating environmental, social and sustainability-related issues, and renamed it as the "Environmental, Social and Governance Committee" with an objective to further enhance the involvement of the Board, and emphasise the Board's leadership in terms of environmental, social and governance.

The Environmental, Social and Governance Committee holds regular meetings for the purposes of improving the standard of corporate governance of the Company, evaluating material environmental, social and governance issues, overseeing and reviewing the development and implementation of corporate social responsibility and sustainability-related measures, reviewing the targets set by the Company and their progress as well as reporting and making recommendations to the Board. Reports on the effectiveness of relevant work and measures are made by relevant functional departments to the Environmental, Social and Governance Committee on a regular basis. For details of the Environmental, Social and Governance Committee of the Company, please refer to the section headed "Corporate Governance Report – Delegation by the Board" in the 2021 Annual Report of COSCO SHIPPING Ports.

The Company maintains regular communication with stakeholders. Through identification, analysis and confirmation, the Company examines its sustainability issues and conducts materiality analysis, which is for its assessment on the impact of each issue and determination on the handling priority, and to improve its strategies and formulate objectives. The Board promotes the Company to optimise its environmental, social and governance strategies and plans to achieve sustainable development with the results of stakeholder engagement and materiality assessment. For details of the results of the materiality assessment and the Company's response to relevant issues, please refer to Chapter 6 – Stakeholder Engagement and Materiality Assessment of this report.

CHAPTER 3

CHAIRMAN'S MESSAGE



FENG Boming
Chairman

The persistent uncertainty caused by the COVID-19 epidemic globally and the acceleration of decarbonisation plans due to climate change have casted major challenges to the ports and shipping industry. COSCO SHIPPING Ports has always adhered to the concept of sustainable development and is committed to maintaining a high standard of corporate governance. At the same time, we have been actively driving terminal companies to facilitate epidemic prevention on one hand and business development on the other, and commits to aim for carbon neutrality as our goal in order to speed up green and low-carbon transformation, and join hands with the society and the industry to create value.

I am pleased to present the 2021 Sustainability Report of COSCO SHIPPING Ports to review on our work in promoting sustainable development last year.

Confronted with the severe challenges brought by the COVID-19 epidemic and climate change, COSCO SHIPPING Ports stepped into the game and responded with a positive and pragmatic attitude. In order to manage risks more effectively and systematically and to promote corporate sustainability, we officially incorporated the management of environmental and social issues into our governance structure and established the Environmental, Social and Governance Committee. With the support of the Board, the Company will be able to manage various material sustainable development issues more efficiently, incorporate high-level environmental, social and governance principles into business operations and risk management, and protect the interests of the Company and its stakeholders.

The mutation of the novel coronavirus has put the pace of global economic recovery to the test. Coupled with port closures and supply chain pressure causing port congestion, it posed challenges to the ports and shipping industry. We pay close attention to local epidemic information, schedule deployment in a timely manner, and strive to ensure that production capacity is not reduced and operations are not interrupted. On the one hand, we strictly implement epidemic prevention and control measures, and maintain epidemic prevention drills to provide solid support for the smooth operation of our business. On the other hand, we are actively accelerating the research and development of technology, promote the optimisation of business processes of our terminals, and maintain close communication with customers to maintain service quality. The effective implementation of various measures drove the Group's total throughput to maintain a good momentum in 2021.

While ensuring safe operations, green and low-carbon transformation remains the top priority of our sustainable development plans. In order to fully support China's "dual carbon" national goals and to respond to the emission reduction plans of the International Maritime Organization and shipping companies, we are determined to strengthen and accelerate decarbonisation. Compared with 2020, we pledge to reduce carbon emissions of our Subsidiaries by 20% by 2030 and aim for carbon neutrality no later than 2060. With the effective implementation of a series of energy-saving and emission-reduction measures over the years, the carbon emissions of our Subsidiaries in 2021 continued to decline, laying a good foundation for us to speed up green, low-carbon and high-quality development in green shipping. In addition, we have launched a green finance framework to facilitate more investments in energy-saving and emission-reduction projects in the future and accelerate the construction of green and smart ports. As our 5G smart port pilot, Xiamen Ocean Gate Terminal continues to promote green and low-carbon development through the use of new technology and forward-looking technology research, and was awarded the title of "Green Port" by the APEC Port Services Network during the year.

We adhere to the development concept of "The Ports for ALL", maintain a high standard of corporate governance, actively fulfill environmental and social responsibilities, and strive to contribute to our stakeholders. Our sustainable development concept has gained wide attention and recognition from the market, where we received several awards during the year, including the "ESG Report of the Year Awards – Middle Market Capitalization", the "Best in ESG Awards – Middle Market Capitalization" and the "Best in Reporting Awards – Middle Market Capitalization" by BDO Limited; the "Gold Award in Environmental, Social and Governance" by The Asset Magazine, among others, fully reflecting market recognition. In the future, we will continue to push forward the pace of sustainable development and increase our contribution.

Despite the lingering effects of the epidemic, we promise to always abide by our corporate social responsibility, implement the concept of sustainable development into all levels of business operations, and create long-term value.



FENG Boming
Chairman

CHAPTER 4

MANAGING DIRECTOR'S MESSAGE



ZHANG Dayu
Managing Director

Over the past year, COSCO SHIPPING Ports has actively responded to the concerns of the market and stakeholders. We strived to strengthen epidemic prevention and control measures, improve operational safety and promote the development of green and smart ports. We confronted challenges with a positive and pragmatic attitude, and built a more stable business foundation to promote sustainable development inside and outside the Group.

2021 has been a year full of challenges. Although the measures of many countries to push forward COVID-19 vaccination brought a positive note to the fight against the epidemic, the mutation of the virus has brought more uncertainty. Amid the fluctuations of the epidemic, we never let our guard down. We coordinated our terminal companies to strengthen epidemic prevention and control, and organised epidemic prevention trainings for staff to enhance prevention awareness. At the same time, we carried out comprehensive inspections of port areas, standardised the management and control of disinfection measures, implemented special work schedules for personnel in higher-risk positions, and strictly conducted nucleic acid testing for frontline personnel. With the active support and cooperation of our staff, we are fully committed to containing the spread of the epidemic.

During the year, we held meetings on operational safety and ecological and environmental protection. In addition to the focus of epidemic prevention and control, we also shared the safety and environmental risks faced by port operators to strengthen the rectification of potential hazards and improve weak links, with the aim of maintaining “high standards and strict requirements”. We carried out comprehensive safety and environmental protection inspections and safety performance assessments on the Subsidiaries as planned by conducting a comprehensive inspection of the work environment, large-scale equipment and facilities, potential hazard investigation and rectification, safety risk identification and control in order to adhere to the principle of operational safety and provide a strong basis for the sustainable development of the Group. At the same time, we attach great importance to ecological and environmental protection, and always focus on improving the quality of the ecological environment in the course of business development. Under the guidance of the leading group for ecological and environmental protection, our domestic Subsidiaries strictly comply with all relevant management guidelines, proactively carry out daily environmental monitoring, enhance the environmental management of construction projects and the management of environmental protection facilities, fully implementing the concept of green development.

Facing the trend of “green shipping”, we revised and improved the management guidelines related to energy conservation and emissions reduction, and led and guided the energy conservation and emissions reduction works of our domestic Subsidiaries. All of our domestic Subsidiaries have completed the construction and renovation of shore power systems to supply electricity to vessels when they are at berth and satisfy their need for electricity during berthing. Using electricity instead of fuel can reduce carbon emissions during operations and contribute to the environmental protection of port areas. In the future, we will continue to maintain close communication with shipping companies to understand their plans for energy conservation and emissions reduction in order to satisfy the needs of our customers, and accelerate the adoption and upgrading of green and smart ports to strengthen our competitive advantages.

On the other hand, we remain vigilant amid the increasingly frequent and severe extreme weather events brought by climate change, and standardise the preventive measures in typhoon and flood seasons in accordance with the management guidelines on typhoon and flood prevention, carry out drills from time to time, and keep abreast of weather warnings and weather changes. This enables us to activate emergency plans in time and secure large machinery and facilities in the port areas to ensure the safety of the port areas and terminal workers.

Apart from expanding our business, we also proactively contribute to social welfare and epidemic prevention, poverty alleviation and environmental protection in the places where we operate. The Company was awarded the “Caring Company” logo for the third consecutive year as a recognition of our corporate social responsibility. We will continue to give back to the society and contribute to community development.

Despite the challenges ahead, we will continue to enhance our performance in the areas of environmental, social and governance measures, and facilitate sustainable development to create value for the Group and our stakeholders.



ZHANG Dayu
Managing Director

CHAPTER 5 ABOUT COSCO SHIPPING PORTS





CORPORATE OVERVIEW

COSCO SHIPPING Ports is a leading ports operator in the world, with a portfolio covering the five main port regions in Mainland China, Southeast Asia, the Middle East, Europe, South America and the Mediterranean. As of 31 December 2021, COSCO SHIPPING Ports operated and managed 367 berths at 37 ports worldwide, of which 220 were for containers, with a total annual handling capacity of approximately 122 million TEU.

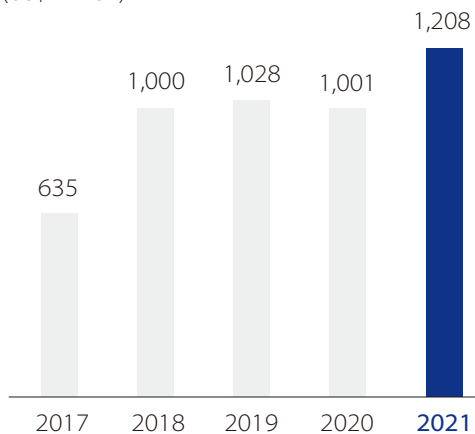
The Company upholds its mission of “The Ports for ALL” and strives to build a global terminal network with controlling stake that offers linkage effect on costs, services and synergies, creating mutual benefits across the shipping industry chain, connecting global shipping services and becoming truly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

COSCO SHIPPING Ports’ intermediate holding company is COSCO SHIPPING Holdings Co., Limited (“COSCO SHIPPING Holdings”) (stock code: 1919 (H Share), 601919 (A Share)) whose ultimate holding company, China COSCO SHIPPING Corporation Limited (“COSCO SHIPPING”), is the largest integrated shipping enterprise in the world. As of 31 December 2021, COSCO SHIPPING held 46.74% shares in COSCO SHIPPING Holdings, which in turn held 50.23% shares in COSCO SHIPPING Ports.

KEY FINANCIAL PERFORMANCE IN THE LAST FIVE YEARS

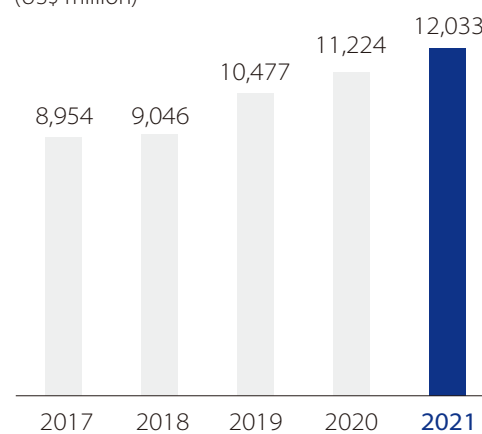
Revenue

(US\$ million)



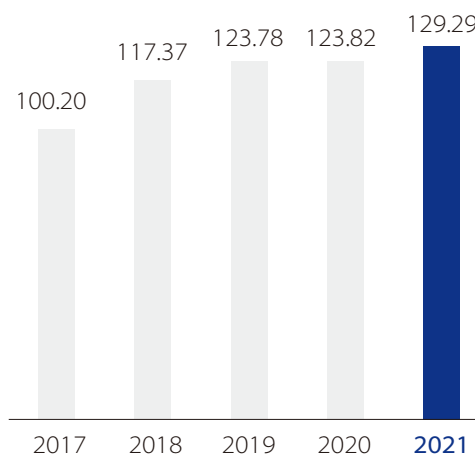
Total Assets

(US\$ million)



Total Throughput


(million TEU)



For our detailed financial performance, please refer to the 2021 Annual Report of COSCO SHIPPING Ports.

CORPORATE VISION

COSCO SHIPPING Ports completed its reorganisation in 2016 and developed three major strategies:

GLOBALISATION	SYNERGY	CONTROL
<ul style="list-style-type: none"> Building a global terminal network with controlling stake that offers linkage effects on costs, services and synergies 	<ul style="list-style-type: none"> Leveraging the synergies with COSCO SHIPPING and the OCEAN Alliance to strengthen its service capability to serve shipping alliances Establishing close partnerships and maintaining good relationships with port authority groups, terminal operators and international liner companies to maximise synergies and value 	<ul style="list-style-type: none"> Strengthening control and management of the ports and terminals business – further integrating our existing terminals portfolio and increasing the value of these investments through building controlling stakes; increasing our influence in entire ports through equity investments in port groups; and adopting unified management and operating system to integrate terminal operations

COSCO SHIPPING Ports is committed to expanding its business network and providing quality services. During the year, the Company has undertaken mergers and acquisitions and integration of various terminals, further enhancing our global terminal network. In July 2021, the Company completed the acquisition of 20% equity in Red Sea Gateway Terminal, strengthening its presence in the Red Sea region; in September, the Company entered into a share purchase agreement to acquire 35% equity in Container Terminal Tollerort in the Port of Hamburg, Germany, as a key node in European terminals, creating synergy between the Company and shipping fleets and providing customers with higher quality and more efficient services; in December, the Company completed the acquisition of equity interest in Tianjin Container Terminal, making it a 51%-owned subsidiary of the Company. Its high competitiveness in the Bohai region will facilitate the Company's increase in market share.

The Company is determined to put the concept of sustainability into practice, and proactively invests in and builds green and smart ports to improve the efficiency of terminal operations while promoting energy conservation and emissions reduction. In 2021, the Company launched a green finance framework to facilitate future investment in more suitable green projects, while laying a solid foundation for our Subsidiaries' low-carbon transformation and realisation of carbon neutrality in the future.

The impact brought by the on-going epidemic is far-reaching. Imbalance between supply and demand in global transportation capacity as well as blockages in ports have disrupted the order of the industry chain and posed great challenges to the ports and shipping industry. As a global integrated container terminal operator, COSCO SHIPPING Ports has demonstrated resilience and flexibility in its operations during the pandemic by proactively collaborating with the Subsidiaries to maintain close contact with customers, actively provide coordination and offer solutions, mitigating the impact of border closures and port blockages.

As of 31 December 2021, the Company owned 15 Subsidiaries and 31 Non-controlling Terminals. For the Company's global terminal portfolio, please refer to the section headed "Operational Review" in the 2021 Annual Report of COSCO SHIPPING Ports.

GLOBAL TERMINAL NETWORK



	Throughput (TEU)		Throughput (TEU)
Piraeus Terminal	4,696,265	Kumport Terminal	1,248,131
CSP Zeebrugge Terminal	931,447	Suez Canal Terminal	3,648,393
CSP Spain Related Companies	3,621,188	Red Sea Gateway Terminal*	1,354,374
CSP Abu Dhabi Terminal	697,236	Antwerp Terminal	2,202,433
COSCO-PSA Terminal	4,727,146	Seattle Terminal	292,473
Vado Reefer Terminal	67,252	Busan Terminal	3,809,888
Euromax Terminal	2,658,175	Vado Container Terminal**	56,743

Notes:

* On 14 July 2021, the Group completed the acquisition of 20% equity interest in the terminal. Therefore, the figure of the terminal for the year ended 31 December 2021 was the throughput of the terminal from July to December 2021.

** The Group holds 40% equity of APM Terminals Vado Holdings B.V. and completed the acquisition of Vado Container Terminal on 24 September 2021. The Company indirectly holds 40% equity of the terminal since then. The figure of the terminal for the year ended 31 December 2021 was the throughput of the terminal from October to December 2021.

GREATER CHINA TOTAL THROUGHPUT 99,275,231 TEU

Bohai Rim 42,835,185 TEU

	Throughput (TEU)
QPI	23,710,000
Dalian Container Terminal	3,584,187
Dalian Dagang Terminal	20,300
Tianjin Euroasia Terminal	3,197,096
Tianjin Container Terminal	8,642,445
Yingkou Terminals ¹	2,304,613
Jinzhou New Age Terminal	735,208
Qinhuangdao Port Harbour Terminal	641,336

Yangtze River Delta 15,436,773 TEU

	Throughput (TEU)
Shanghai Pudong Terminal	2,600,511
Shanghai Mingdong Terminal	6,845,534
Ningbo Yuan Dong Terminal	3,040,534
Lianyungang New Oriental Terminal	1,009,674
Taicang Terminal	488,186
Nantong Tonghai Terminal	1,452,334

Southeast Coast and Others 6,149,785 TEU

	Throughput (TEU)
Xiamen Ocean Gate Terminal	2,541,035
Quan Zhou Pacific Terminal	1,255,347
Jinjiang Pacific Terminal	323,043
Kao Ming Terminal	2,030,360

Pearl River Delta 28,841,688 TEU

	Throughput (TEU)
Yantian Terminals	14,161,034
Guangzhou Terminals ²	11,607,532
Hong Kong Terminals ³	3,073,122

Southwest Coast 6,011,800 TEU

	Throughput (TEU)
Beibu Gulf Port ⁴	6,011,800

Notes:

- Throughput of Yingkou Terminals was the total throughput of Yingkou Container Terminal and Yingkou New Century Terminal.
- Throughput of Guangzhou Terminals was the total throughput of Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal.
- Throughput of Hong Kong Terminals was the total throughput of COSCO-HIT Terminal and Asia Container Terminal.
- On 30 November 2020, the Group completed the acquisition of 26% equity interest in Beibu Gulf Terminal through injection of its equity interest in Qinzhou International Terminal into Beibu Gulf Terminal and cash consideration. Therefore, throughput of Qinzhou International Terminal for January to November 2020 was included in the throughput of Beibu Gulf Terminal, and only throughput of Beibu Gulf Terminal was included in throughput of Beibu Gulf Port starting from December 2020.



OUR APPROACH TO SUSTAINABILITY

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

SDGs of Our Concern	The Group’s Five Key Areas of Sustainable Development
 	Caring for Our People Providing a safe, healthy, diverse and inclusive workplace to attract and nurture talents for our sustained growth.
 	Customers First Increasing brand awareness and expanding global terminal network to improve operational efficiency and offer quality customer services.
 	Green Development Investing in building “green ports”, minimising the environmental impacts of our operations by targeting reduction in energy consumption and carbon neutrality, and promoting environmental awareness of staff, suppliers and the public to facilitate green and low-carbon development.
	Win-win Cooperation Incorporating sustainability criteria into supplier selection and management, and deepening strategic partnerships to enable value chain enhancement.
 	Investing in Communities Upholding business ethics and ensuring operational compliance to promote the development, inclusiveness and construction of the communities where we operate in to foster a favourable business environment.

AWARDS AND HONOURS

Awards and Honours	Awarding Organisations
COSCO SHIPPING Ports	
• "Caring Company" logo 2018-2021	Hong Kong Council of Social Service
• Gold Award in Environmental, Social and Governance	The Asset Magazine
• Best in ESG Awards – Middle Market Capitalization	BDO Limited
• Best in Reporting Awards – Middle Market Capitalization	
• ESG Report of the Year Awards – Middle Market Capitalization	
• Corporate Website Honors Prize	2021 Galaxy Awards
• Best Investor Relations Company	Corporate Governance Asia Magazine
• Asia's Best CEO (Investor Relations)	
• Best Investor Relations Professional	
• ALB Asia's Top 15 In-house Legal Teams	Asian Legal Business Magazine
• Excellence Award for H Share & Red Chip Entries – Annual Reports Awards	The Hong Kong Management Association
• Best Investor Relations Company Hong Kong	Global Banking & Finance Awards
• Most Innovative Port Operator	International Finance Magazine
• Best Port Operator	Business Tabloid Magazine
• Best Container Operator of the Year	Global Business Outlook Magazine
• Most Socially Responsible Port Operator	
• Best Port Operator	Finance Derivative Magazine
• Best CSR Company (Port Sector)	
• Best Shipping Port Operator Hong Kong	International Business Magazine
• Best Investor Relations Company (Ports sector) Hong Kong	
• Most Sustainable Company (Ports sector) Hong Kong	
• Best CSR Company (Ports sector) Hong Kong	

Awards and Honours	Awarding Organisations
CSP Abu Dhabi Terminal	
<ul style="list-style-type: none"> NEESHAN Award for Best HSSE Performance 	Abu Dhabi Ports
Dalian Container Terminal	
<ul style="list-style-type: none"> TOP 30 Innovation Cases in the Ports and Shipping Logistics Industry 2021 	China Freight Industry Innovation Award
<ul style="list-style-type: none"> Container Terminal with Domestic Trade Throughput of More Than 1 Million TEU Container Terminal with an Average Loading and Unloading Efficiency of More Than 100 Containers per Hour Container Terminal with Throughput of More Than 2 Million TEU Container Terminal with Crane Operating Efficiency of an Average of More Than 30 Containers per Hour 	Container Branch of China Ports and Harbours Association
<ul style="list-style-type: none"> Customer-Satisfied Container Terminal 	China Shipping Gazette
<ul style="list-style-type: none"> Dalian AA-Level Model Enterprise with Harmonious Labour Relations 	Dalian Human Resources and Social Security Bureau
<ul style="list-style-type: none"> The 2nd "Smart Port and Shipping" Data Innovation Application Competition – Excellence Award 	China Transport Telecommunications & Information Center and China Ports and Harbours Association
<ul style="list-style-type: none"> 2021 Provincial Award for Excellent Quality Control Team – First Prize 2021 Provincial Award for Excellent Quality Control Team – Second Prize 2021 Provincial Award for Quality Trustworthy Teams 	China Quality Association
Guangzhou Nansha Stevedoring Terminal and Guangzhou South China Oceangate Terminal	
<ul style="list-style-type: none"> Excellent Organization Award (Onshore Container Crane) of the 10th "Golden Anchor Cup" Seafarers' Vocational Skills Competition in Guangdong Province 2021 Group Second Class Award (Onshore Container Crane) of the 10th "Golden Anchor Cup" Seafarers' Vocational Skills Competition in Guangdong Province 2021 	Guangdong Seamen's Union
Kumport Terminal	
<ul style="list-style-type: none"> The Great Place to Work 	Great Place to Work Organization
<ul style="list-style-type: none"> Port Management Services Award 	Services Exporters' Association
<ul style="list-style-type: none"> COVID-19 Safety Service Certificate 	Turkish Standards Institution
Lianyungang New Oriental Terminal	
<ul style="list-style-type: none"> Outstanding Team of Self-trade Innovation Labour Competition 	Lianyungang Port Holding Group
<ul style="list-style-type: none"> First Prize of Energy-saving and Carbon-Reduction Snapshot 	Jiangsu Labour Competition Committee Office

Awards and Honours	Awarding Organisations
Nantong Tonghai Terminal	
<ul style="list-style-type: none"> Inland Container Terminal with Throughput of More Than 1.4 Million TEU River-trade Container Terminal with Throughput of More Than 1 Million TEU 	Container Branch of China Ports and Harbours Association
<ul style="list-style-type: none"> Jiangsu Green Port Certificate 	Jiangsu Provincial Comprehensive Transportation Society
Shanghai Pudong Terminal	
<ul style="list-style-type: none"> Shanghai May 1st Labour Award 	Shanghai General Labour Union
<ul style="list-style-type: none"> Outstanding Economic Contribution Award in Shanghai Pudong New Area 2020 	Shanghai Pudong New Area People's Government
Xiamen Ocean Gate Terminal	
<ul style="list-style-type: none"> First Prize in the 2nd Competition on Promoting BRICS Industrial Innovation Cooperation – Business Application of 5G Automated Terminal 	Ministry of Industry and Information Technology, Fujian Provincial People's Government, Xiamen Municipal People's Government
<ul style="list-style-type: none"> The Title of "High-quality foreign trade terminal berths in Fujian Province" (awarded again for berths 14#–17# of Xiamen Ocean Gate Terminal) 	Department of Commerce of Fujian Province, Fujian Provincial Port Office
<ul style="list-style-type: none"> Container Terminal with Throughput of More Than 2.1 Million TEU Domestic Container Terminal with Average Loading and Unloading Efficiency of More Than 100 Containers per Hour 	Container Branch of China Ports and Harbours Association
<ul style="list-style-type: none"> APSN Green Port (GPAS) 	APEC Port Services Network (APSN)
<ul style="list-style-type: none"> 2021 Outstanding Unit of Port Control 	Immigration Inspection of Haicang District
Yantian Terminals	
<ul style="list-style-type: none"> Best Green Container Terminal 	Asian Freight, Logistics and Supply Chain Awards (AFLAS)
<ul style="list-style-type: none"> Enterprise Digital Learning Outstanding Award 	CEIBS DIGITAL
Asia Container Terminal and COSCO-HIT Terminal	
<ul style="list-style-type: none"> "2020-2021 Caring Shop and Company in Tsuen Wan & Kwai Tsing District Award" 	Hong Kong Social Welfare Department
<ul style="list-style-type: none"> "2017-2021 Good MPF Employer 5 Years+" 	Hong Kong Mandatory Provident Fund Schemes Authority
<ul style="list-style-type: none"> "Caring Company 2018-2021" logo 	The Hong Kong Council of Social Service
<ul style="list-style-type: none"> "Colourful Star Award in the Age-Friendly City Appreciation Scheme 2020-2021" 	

MEMBERSHIP AND CHARTERS

Institution Name*	Position
Chamber of Greek-Chinese Economic Cooperation	Member
Deniz Ticaret Odası (Chamber of Shipping)	Corporate capacity
Exporters Association (IMMIB)	Corporate capacity
Foreign Investors Association (YASED)	Corporate capacity
International Port Community Systems Association (IPCSA)	Member
Istanbul Chamber of Commerce (ITO)	Corporate capacity
Istanbul Chinese Businessmen and Industrialists Association	Corporate capacity
Istanbul Marmara Ege Akdeniz Karadeniz (İMEAK) Chamber of Shipping	Corporate capacity
Port Operators Association of Turkey (TÜRKLİM)	Corporate capacity
Protection Association (TURMEPA)	Corporate capacity
Turkish Ports Association (TURKLİM)	Corporate capacity
Turkish Quality Association (KALDER)	Corporate capacity
Turkish Marine Environment	Corporate capacity
Shanghai Port Association	Committee Member
Shanghai Pudong Modern Logistics Industry Association	Committee Member
China Ports and Harbours Association	Committee Member
China Ports and Harbours Association	Member
Container Branch of China Ports and Harbours Association	Vice Chairman
Container Branch of China Ports and Harbours Association (including committees under the Association)	Member
China Shipping Gazette	Director
Council of Maritime China	Director
Lianyungang Port and Port Association	Vice Chairman
Quanzhou Container Association	Vice Chairman
Business Environment Council	Board of Director
Council of Containerization Magazine	Vice President
Xiamen Ports Association	Vice President
Xiamen Container Transportation Association	Vice President
xmrc.com.cn	Member
Xiamen Logistics Association	Vice President
Xiamen Free Trade Zone Chamber of Commerce	Executive Vice President
Guangzhou Port Shipping Service Association	Committee Member
Guangzhou Port Shipping Service Association	Supervisor
Guangdong Ports Association	Director

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

CORPORATE GOVERNANCE

Good corporate governance is the key for the Company to promote high-quality and sustainable development, building a business environment which upholds integrity and maintains investor confidence through continuous improvement of risk management. COSCO SHIPPING Ports has always adhered to the highest ethical standards, followed good corporate governance codes and guidelines, and shaped a professional, transparent, open and accountable corporate image, thus demonstrating a commitment to corporate social responsibility to stakeholders and the society.

For details of our corporate governance, please refer to the section headed “Corporate Governance Report” in the 2021 Annual Report of COSCO SHIPPING Ports.

STRUCTURE

The Board of the Company maintains oversight of the overall business and performance, leading corporate strategies and managing resource allocation to lay a solid foundation for the Company’s long-term development. As at 30 March 2022 (the date on which the Board approved this report), the Board consisted of 11 members, including 4 executive directors, 2 non-executive directors and 5 independent non-executive directors. Each member of the Board strictly complies with all applicable laws and regulations, upholds integrity and acts in the best interests of the Company and stakeholders as a whole to ensure the continuous healthy development of the Group.

To assist the Board in the execution of duties and to facilitate effective management, certain functions of the Board have been delegated to various Board committees. In order to enhance the supervision of environmental, social and governance issues and further promote the effective implementation of relevant policies and measures, in March 2021, the Company established the Environmental, Social and Governance Committee, which is chaired by Prof. CHAN Ka Lok, an independent non-executive director, with two members, namely Mr. FENG Boming, the Chairman of the Board and Mr. YANG Liang Yee Philip, an independent non-executive director. Under the leadership of the Board, the Environmental, Social and Governance Committee could effectively support the Company to further enhance its standard of corporate governance, and provide professional and diversified opinions on corporate social responsibility as well as the development and implementation of sustainable development measures, facilitating the monitoring and promotion of the Group’s future goals in sustainable development.

Currently, there are 7 committees under the Board, including the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Environmental, Social and Governance Committee, the Investment and Strategic Planning Committee and the Risk Management Committee. Each committee specifies in writing its terms of reference and its relevant powers and responsibilities to assist the Board in management and governance, enabling it to play an effective leadership role.

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

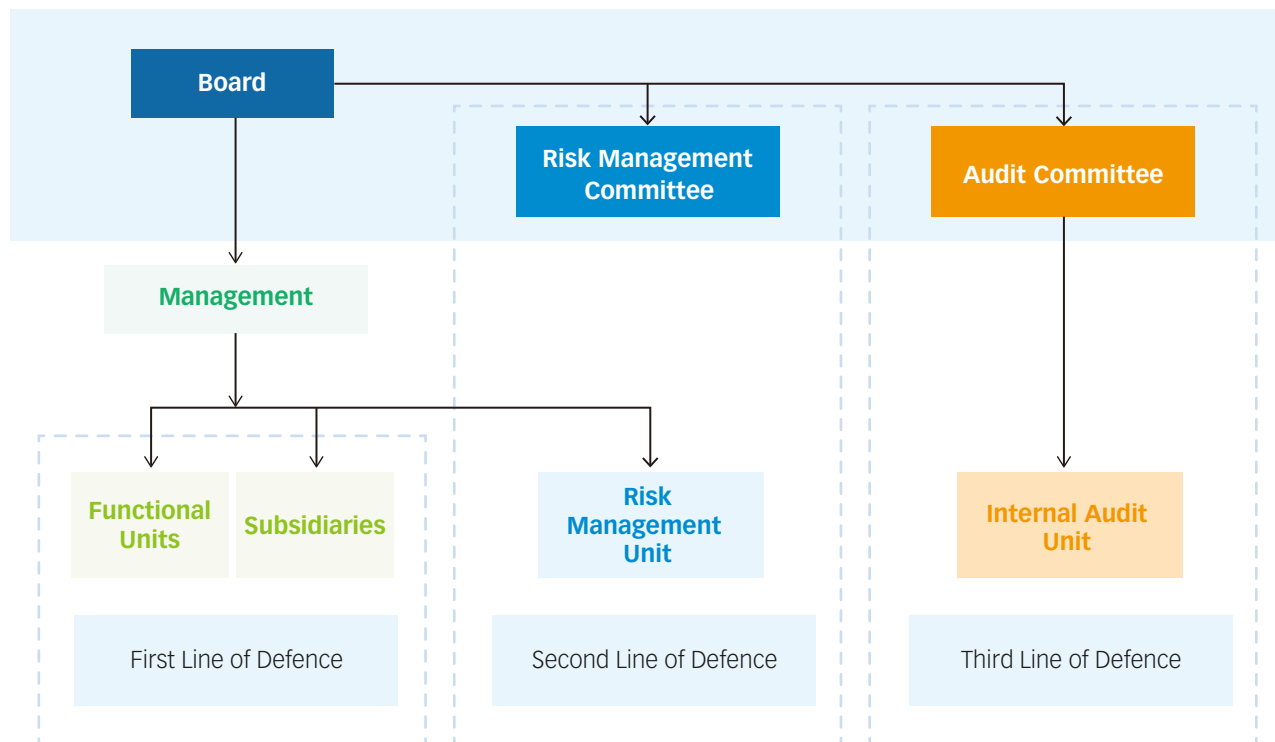
For details of the Board committees of the Company, please refer to the section headed “Corporate Governance Report – Delegation by the Board” in the 2021 Annual Report of COSCO SHIPPING Ports.

RISK MANAGEMENT

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 our business. We make reference to nationally and internationally recognised guidelines⁴ to develop the risk management framework which covers five dimensions, namely corporate strategy, market, finance, law, and operations. The Board authorises the Risk Management Committee to oversee, review and improve the Company’s risk management system, with the aim of preventing all kinds of risks and challenges.

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

Risk Management Structure



Risk Management Procedures



For details of the risk management system of the Company, please refer to the section headed "Corporate Governance Report – Risk Management and Internal Control" in the 2021 Annual Report of COSCO SHIPPING Ports.

ANTI-CORRUPTION

The Company has always upheld high standard of business ethics and integrity and is committed to preventing all forms of suspected corruption and bribery. We maintain a zero-tolerance policy in handling all relevant situations. Our Staff Handbook stipulates the Company's anti-corruption principles and regulations to ensure that all staff respect and comply with corporate ethical standards and business ethics, strengthening their ethical business standards. To enhance the promotion of corporate integrity culture, all directors of the Company completed training on anti-corruption during the year. In addition, we invited the Independent Commission Against Corruption of Hong Kong to provide professional training seminar on integrity for the staff of our Hong Kong Headquarters and the management staff of the Hong Kong Terminal 8, introduce laws and regulations on prevention of bribery, extortion, fraud and money laundering, share issues that staff should pay attention to and ways to avoid on conflict of interests through interactive sessions and case sharing, so as to strengthen their awareness of anti-corruption issues. We also organised anti-corruption video training for the staff of the Shanghai headquarters and the domestic Subsidiaries to improve the standard of corporate governance.

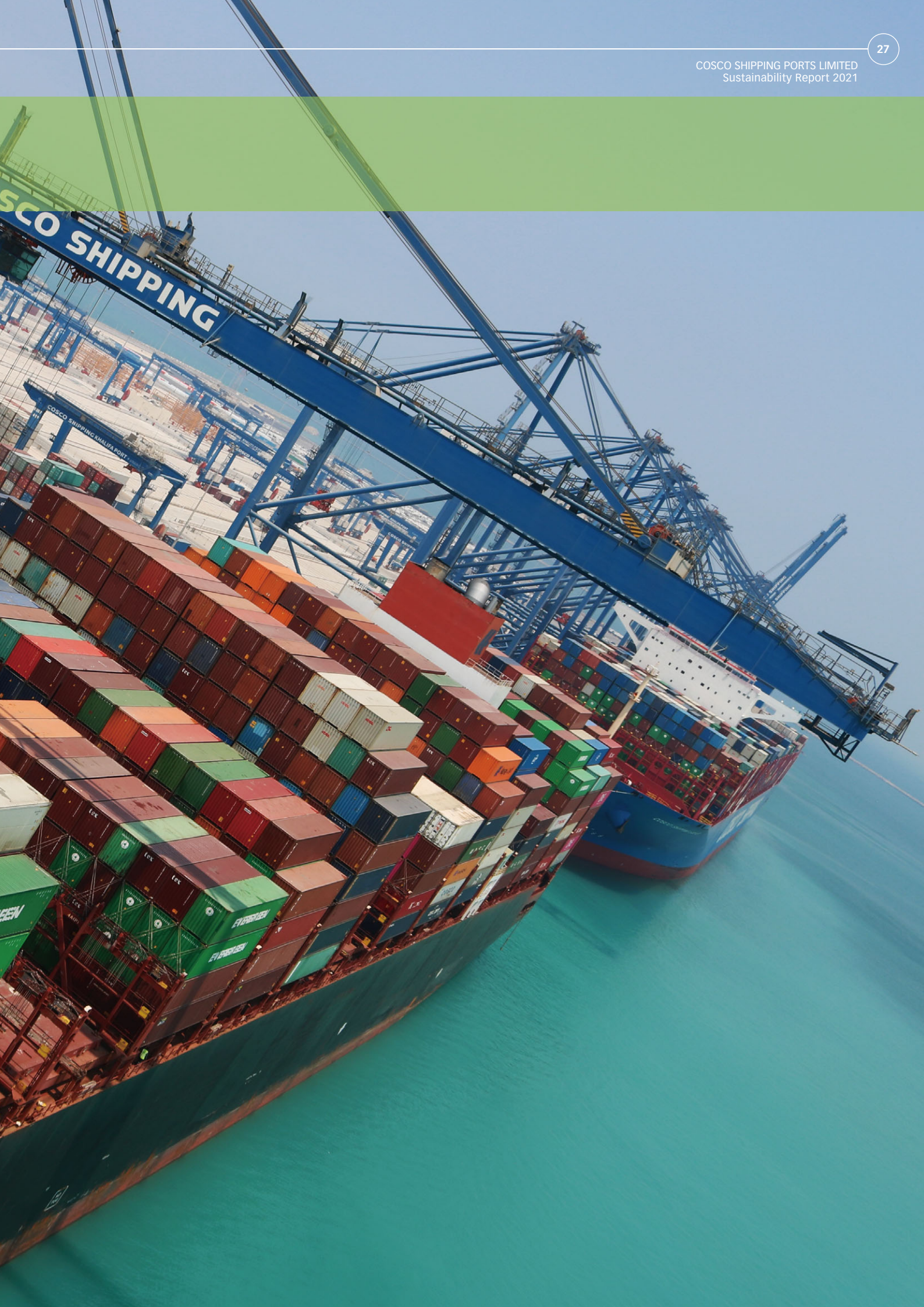


We have also developed a whistleblowing policy applicable to the Company and the Subsidiaries to provide employees with a formal and confidential reporting channel. We strictly follow investigation guidelines to handle violations of discipline and regulations and take corresponding follow-up actions, to stamp out corruption and illegal activities which may damage the interests of the Group. Meanwhile, with the aim of encouraging stakeholders to monitor the standards of integrity and accountability of the Company and work together with us in maintaining good corporate governance, the Company has set up a channel for reporting fraud at the corporate website to allow external stakeholders to report any suspected misconduct.

In order to maintain stringent and uniform standard of business ethics with our business partners and proactively improve supply chain management, the Company and its Subsidiaries require all interested suppliers to sign the Supplier's Undertaking Against Commercial Bribery at the tender stage to ensure that they clearly understand and comply with the Company's business ethics requirements, and uphold high level of business conduct and business integrity.

CHAPTER 6 STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT





The Company endeavours to maintain good and close communication with stakeholders through diverse channels to better understand their comments and expectations on our sustainability strategies, goals and daily operations in order to further improve our sustainability management.

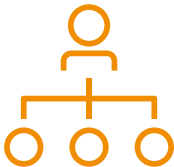
KEY STAKEHOLDERS AND REGULAR ENGAGEMENT


The table below outlines the objectives and channels of maintaining regular engagement with key stakeholders in our 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 to maintain long-term relationships with mutual trust	Customer satisfaction surveys, service hotlines, instant messaging software, meetings, regular business visits, online promotion activities, forums, correspondence
 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 the Company's WeChat and LinkedIn accounts, briefings, meetings, labour unions, corporate promotional brochures, community activities, mailbox, suggestion box
 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, circulars and press releases), general meetings
 Suppliers	Ensure that suppliers understand and follow the Company's policies and expectations to improve service quality and act on its social responsibility	Tender meetings, 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
 Community and environmental advocates	Establish good relationships with the communities and environmental advocates, maintain sound reputation, and identify and respond to different environmental and social risks	Company website, social media platforms including the Company's WeChat and LinkedIn accounts, corporate promotional brochures, briefings, meetings

OUR RESPONSES TO STAKEHOLDERS

The Company strives to maintain communication with stakeholders, and, in 2021, we commissioned a professional consultant to interview with stakeholder groups including employees in the headquarters, investors, customers, suppliers and community representatives, to help understand their advice and expectations concerning the Company's measures on sustainability, assess the materiality of each topic and respond accordingly. The table below summarises stakeholder feedback and our responses:

Issues on sustainability	Issues raised by stakeholders and their expectations	The Group's responses
 <p>Economic performance</p>	<ul style="list-style-type: none"> • Follow the business plan, make corresponding arrangements in response to market changes, further expand operations and install new equipment to optimise terminal operations • Continue to enhance lean operations, strengthen quality control of terminal services, and maintain competitive advantages in the international market 	<ul style="list-style-type: none"> • The Group continues to promote technological research and development and implements technology including 5G and artificial intelligence to increase operational efficiency and optimise customer service experience. • The Group strives to become the world's leading ports operator and seizes investment opportunities worldwide to enhance our global terminal network. <p>For more details, please refer to Chapter 8 – Customers First of this report.</p>
 <p>Corporate governance</p>	<ul style="list-style-type: none"> • Extend corporate governance to the management of environmental and social issues and strengthen corporate social responsibility and sustainable development 	<ul style="list-style-type: none"> • The Environmental, Social and Governance Committee of the Company is in place to enhance the leadership of the Board in corporate social responsibility and sustainable development, and has incorporated environmental protection, energy conservation and emissions reduction, and climate change into the risk assessment and management framework to better prevent against the relevant risks. <p>For more details, please refer to Chapter 5 – About COSCO SHIPPING Ports of this report and the section headed "Corporate Governance Report" in the 2021 Annual Report of COSCO SHIPPING Ports.</p>

Issues on sustainability	Issues raised by stakeholders and their expectations	The Group's responses
 <p>Employees</p>	<ul style="list-style-type: none"> • Provide education and training on environmental, social and governance for employees to enhance their awareness and ability in cooperating with sustainability approach • Increase the percentage of women in senior management positions to demonstrate the Company's efforts in promoting gender diversity 	<ul style="list-style-type: none"> • The Company has provided training on environmental, social and governance to the Board and employees concerning statutory requirements, recommendations on governance and case sharing, and encourages its Subsidiaries to offer trainings, covering occupational safety and health, and typhoon and flood control, to terminal workers to raise their awareness of corporate sustainable development. • The Group is dedicated to creating more employment opportunities for women, and has been building a diverse and inclusive workplace. <p>For more details, please refer to Chapter 7 – Caring for Our People of this report.</p>

**Issues on
sustainability****Environment****Issues raised by stakeholders and their
expectations**

- Speed up the reduction of greenhouse gas emissions, develop environmental targets, and actively respond to national policies and goals
- Strengthen the protection of ecological environment and biodiversity, and practise corporate social responsibility

The Group's responses

- The Group is committed to facilitating the development of green and smart ports. We proactively promote electrification of terminal facilities, installation of shore power systems and the use of energy-saving lighting systems, to encourage energy conservation and emission reduction in the ports and shipping industry. In addition, the Company has set targets on four environmental performance indicators, including greenhouse gas emissions, energy use efficiency, water efficiency and waste disposal, to demonstrate our commitment to environmental protection and effectively monitor our environmental performance and the effectiveness of corresponding measures.
- The Group has developed management measures on ecological and environmental protection and a performance appraisal mechanism, to enhance the awareness of environmental protection of the Subsidiaries to standardise pollution prevention.

For more details, please refer to
Chapter 9 – Green Development
of this report.

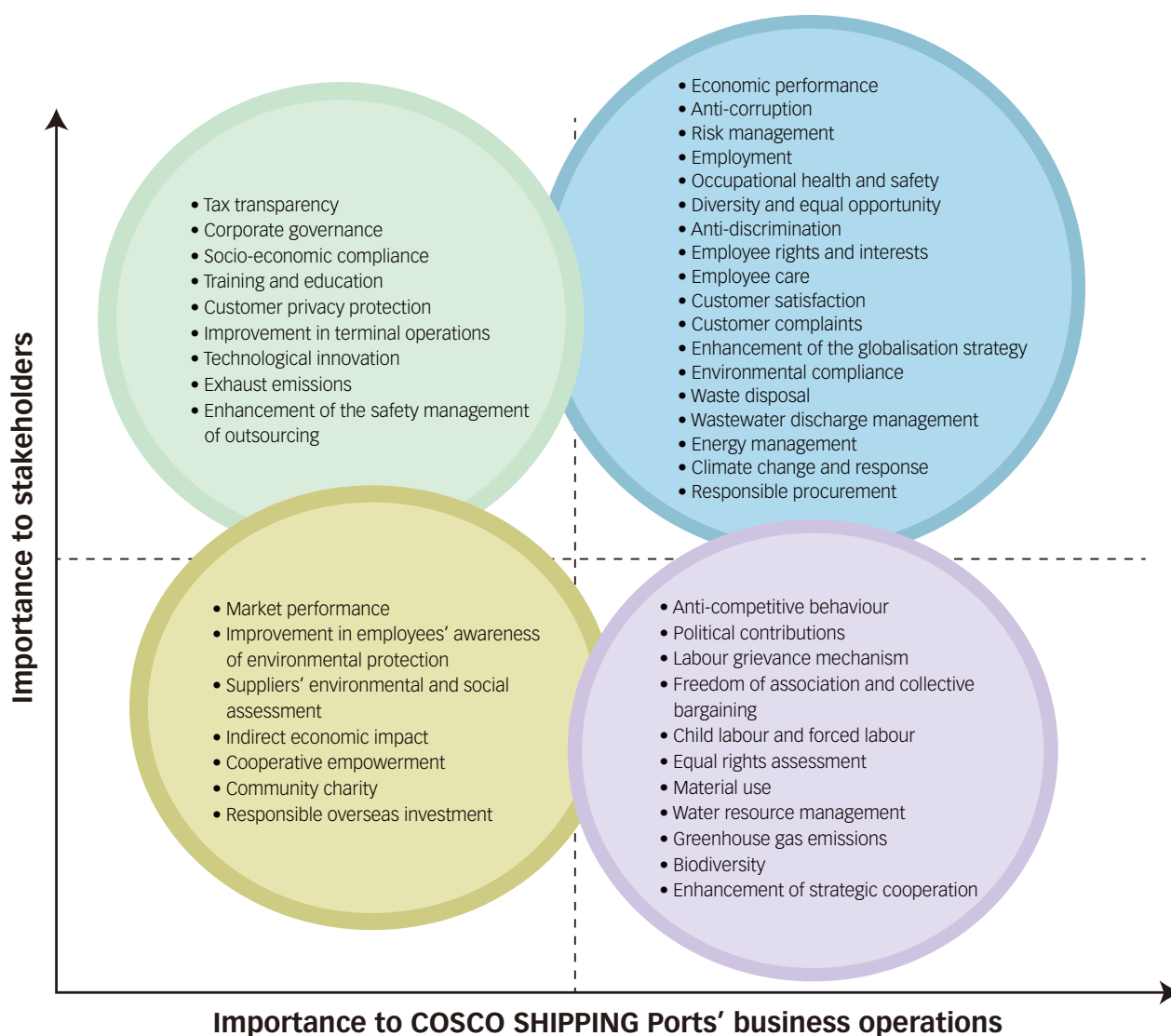
Issues on sustainability	Issues raised by stakeholders and their expectations	The Group's responses
 <p>Supply chain management</p>	<ul style="list-style-type: none"> • Strengthen strategic cooperation with upstream and downstream players in the shipping industry and explore and develop new projects which are mutually beneficial • Constantly optimise the supplier selection mechanism, by which suppliers could have a better understanding of our procurement standards 	<ul style="list-style-type: none"> • The Group values supply chain management, and proactively maintains communication with contractors to ensure their compliance with environmental impact assessment reports, international standards and regulations as well as the requirements of the Group. We proactively strengthen our collaboration with the industry chain and work with business partners to build 5G smart ports. • The Group uses the Suppliers' Self-evaluation on the Compliance with Social Regulations to allow new suppliers to understand our requirements, and facilitate assessment of their sustainability performance and compliance, putting responsible procurement in practice. <p>For more details, please refer to Chapter 10 – Win-win Cooperation of this report.</p>
 <p>Community</p>	<ul style="list-style-type: none"> • Further engage in charity work and encourage employees to participate in community activities 	<ul style="list-style-type: none"> • The Group vigorously advocates and practises corporate social responsibility and proactively engages in charity work to create value and facilitate development at the places where we operate. We proactively participate in charitable donations to help promote local employment and education, provide funding for community facilities and support local poverty alleviation initiatives. <p>For more details, please refer to Chapter 11 – Investing in Communities of this report.</p>

MATERIALITY ASSESSMENT

The Company has made reference to the ESG Reporting Guide issued by the SEHK, the GRI Standards and material issues of local and international peers, and aligned our material issues with those of COSCO SHIPPING Holdings to identify 45 issues on sustainable development from six major aspects. To keep abreast of the trend of sustainability of the industry and understand the expectations of stakeholders for COSCO SHIPPING Ports, we completed industry background analysis, peer benchmarking and stakeholder interviews in 2021. Based on the results, we have adjusted the sustainability issues that are most relevant to the Company's operations and stakeholders and updated the materiality matrix, which is classified by four quadrants.

During the year, we identified 18 highly material issues in the materiality assessment. For the scope and boundary of the material topics, please refer to Chapter 12 – Appendices – Boundary Mapping of Material Topics of this report.

MATERIALITY MATRIX FOR COSCO SHIPPING PORTS



CHAPTER 7

CARING FOR OUR PEOPLE





The Group believes that an excellent team of talents is the cornerstone of business operations and sustainable development. We strive to uphold the people-oriented principle by creating an inclusive, harmonious, fair, safe and efficient working environment for our employees. We continue to improve human resource management and recruit talents all over the world, as well as providing abundant training resources and diversified development opportunities, thereby keeping our employees and the Group moving forward together.

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

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

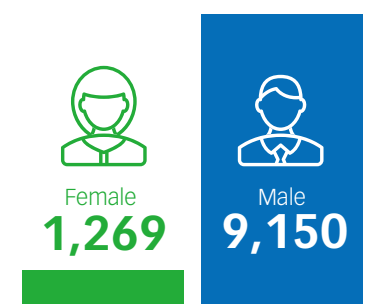
PERFORMANCE HIGHLIGHTS IN 2021

The Company and the terminal companies had a total of 10,419 employees in 2021, which were distributed as follows:

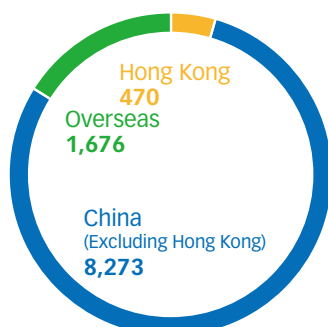
Total Workforce by Employee Category



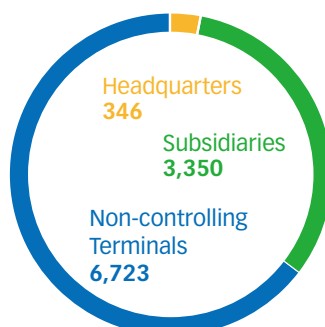
Total Workforce by Gender



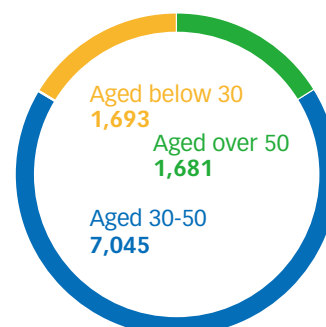
Total Workforce by Geographical Location



Total Workforce by Workplace



Total Workforce by Age Group



For details of employee statistics, please refer to Chapter 12 – Appendices – Key Performance Indicators of this report.

MANAGEMENT APPROACH

The Group strives to protect the basic rights of employees and comply with all the laws and regulations in relation to employment, diversity, occupational safety and health in the regions where we operate, including, but not limited to, the Labour Law of the People's Republic of China, the labour legislation of Hong Kong and those applicable to overseas terminals. In 2021, the Group was not convicted of any non-compliance to the laws and regulations, which had significant potential impacts on the Group, relating to discrimination, child labour, forced labour or other related matters.

The Group manages human resources and staff conduct based on the Human Resources Management Regulations and the Staff Handbook. These policies set out the Company's expectations of our employees' ethics, as well as the policies and procedures they should follow in their daily work to uphold high level of ethical standards and conduct. The Staff Handbook also stipulates that the employment practices of the Company and the Subsidiaries must be consistent with local laws and regulations, strictly prohibiting the use of child labour or forced labour during business operations.

ATTRACTING TALENTS

We actively build and retain an excellent team of employees to create value for the business. In the process of talent recruitment and selection, we follow the principles of fair selection, comprehensive assessment, and merit-based recruitment, and attract talents solely based on assessment indicators such as personal abilities, experience, qualifications, expertise, vision and performance.

In order to maintain market competitiveness and ensure that the working team has sufficient experience and skills, we review our recruitment strategy based on business performance, socioeconomic conditions and industry development from time to time, and continue to expand recruitment channels to attract outstanding talents, including:

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

STAFF BENEFITS

We offer competitive remuneration and benefits packages based on the performance and experience of our employees, including paid leaves, statutory social insurance and medical insurance, etc. Considering the long-time separation from families for employees in Mainland China, we have family friendly measures in place and grant leaves for family visit so that they can be reunited for a longer time. We also provide education grants for our employees to subsidise the tuition fees for accredited courses to encourage continuous learning and improvement of personal skills. In addition, the Company has a share option incentive scheme, and will also implement special incentive plans in line with the business development needs of the Group to boost employee motivation. The Company regularly reviews and improves the policies and measures related to remuneration and benefits to ensure their attractiveness.

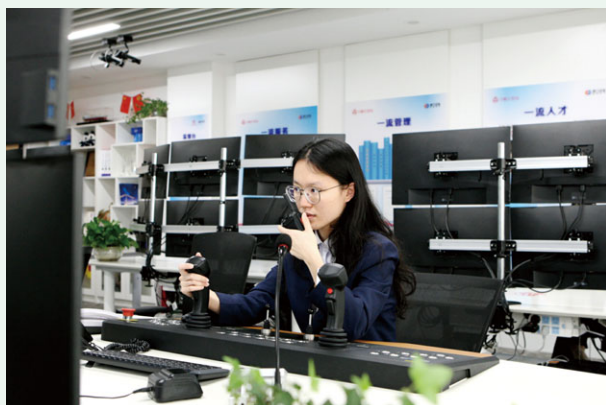
The Group has a well-established staff appraisal and promotion system. We perform a comprehensive evaluation of the performance and skills of the Company's employees and appointed staff at terminals based on the principles of fairness, openness and impartiality. Meanwhile, the senior management and department heads will provide feedback to the subordinate employees, to help them improve their overall performance and establish future development goals. The appraisal results are an important basis for human resource planning and implementation, including year-end bonus, pay adjustment, position review and training development. At the same time, we will promote motivated employees and form excellent teams in a bid to enhance the core corporate competitiveness and promote business development. In 2021, the employee turnover rate of the Company was 1.4%.

DIVERSITY AND INCLUSIVENESS

We are committed to building a diverse and inclusive corporate culture to create a harmonious working environment. We provide equal employment opportunities to all job seekers and current employees, regardless of age, gender, race, religion, nationality or other factors. We do not tolerate any employment discrimination or unfair treatment and we expect all employees to be treated equally.

Because of the high physical requirement for traditional operations at terminals, historically most of the workers were male. However, the Group's promotion of information technology development and the wide application of automated systems have started to transform the terminal workflow. We take this opportunity to build female work teams and promote gender equality.

Case Study: Terminal companies have established female work teams to promote workplace diversity



Our Subsidiaries are committed to building diverse and efficient teams. Among which, Xiamen Ocean Gate Terminal, Quan Zhou Pacific Terminal and Jinzhou New Age Terminal recruited more female staff to engage in strategic planning, business management and terminal machinery operations during the year. With the continuous advancement of technology nowadays, there are more opportunities for terminals to implement remote control and automation for terminal machinery. This enables female staff to operate machinery inside the office and make a significant contribution to the port development, taking a big step forward in promoting gender equality at the terminals.

OPEN COMMUNICATION

We are committed to implementing a transparent and open internal communication mechanism, encouraging two-way communication between the management and staff as well as proactively understanding the suggestions and expectations of the staff. In order to promote smooth and effective internal communication, the management of the Company holds departmental meetings regularly, including annual and half-yearly meetings, monthly working meetings, weekly meetings, management meetings, project meetings, cross-departmental meetings, etc. We have also established information sharing platforms such as intranet and official WeChat and LinkedIn accounts to keep our employees informed of the latest development of the Group and enhance internal communication.



Employees who encounter any questions at work can share their opinions or suggestions with the management or the heads of relevant departments through the open communication mechanism, or provide feedback to the labour union. The Company has a grievance mechanism in place for employees to report any potential misconduct, and promises to handle all cases seriously in accordance with corresponding procedures to ensure that we maintain a high level of business ethics and professional conduct. The Human Resources Management Regulations of the Company outlines the complaints handling procedures regarding violations of laws and regulations, fraud, misconduct, damage to the Company's interests and other non-compliance incidents, and lists the confidentiality measures. The Company promises not to take retaliate actions such as dismissal, demotion, suspension, threat or harassment against the whistleblowers. The Audit and Supervision Department of the Company will set up a taskforce to forward the reporting situations and investigation results to the relevant senior management and the Chairman of the Board according to the content and severity of the complaint, and eventually informing the whistleblowers about the investigation results. At the same time, the relevant departments will be instructed to rectify and improve the system loopholes found in the cases to prevent similar incidents from recurring. If employees of the Audit and Supervision Department are involved in any case, we will adopt the principle of party avoidance to deal with the relevant incident.

OCCUPATIONAL SAFETY AND HEALTH

The Group attaches great importance to the safety of employees and is dedicated to creating a safe, comfortable and healthy working environment. At the same time, we strictly implement safety and risk management-related measures to minimise the risk of safety accidents⁵. In 2021, there were 62 cases of work-related injuries, with a total of 1,201 lost days.

5 For details of safety performance, please refer to Chapter 12 – Appendices – Key Performance Indicators of this report.

SAFETY MANAGEMENT SYSTEM

Accountability System

The Group is in strict compliance with applicable national and local laws and regulations, including, but not limited to, the Production Safety Law of the People's Republic of China, and adheres to the Occupational Safety and Health Management Regulations of COSCO SHIPPING. Each terminal company has formulated internal policies and management regulations related to operational safety based on their operations to ensure the safety of their employees. We have also developed the Regulations on Safety Management Responsibility, which stipulates the Group's responsibility for the primary and macro-supervision of the operational safety of the headquarters and each Subsidiary. It also clearly states the respective safety management responsibilities of the management, the work safety committee, the headquarters, the Subsidiaries and the appointed staff in Non-controlling Terminals. Furthermore, we require different departments to sign the Operational Safety Responsibility Statement annually and incorporate the latest safety objectives and requirements into the performance appraisal, thereby strengthening the enforcement of the safety system.

Operational Safety Standards

The Group complies with the Standards for Work Safety of Bulk Cargo (Container) Terminal Enterprises in Ports issued by the Ministry of Transport of the People's Republic of China, aiming to achieve Class-1 standard to promote safety culture and become the best practice in the industry. At present, among the Subsidiaries of the Group in Mainland China, five of them have been qualified as Class-1 enterprises and two are Class-2 enterprises. Moreover, CSP Spain Related Companies have maintained the certification of the ISO 45001 Occupational Health and Safety Management System.

Safety Risk Management

To keep strengthening the safety risk management system, we have formulated the Guiding Opinions on the Risk Identification, Control and Management of Safe Production, as well as updating and revising policies such as the Measures for the Assessment of Production Safety Performance, the Regulations on Safety Management Responsibility, the Contingency Plan for Production Safety and the Safety Inspection Standards. In 2021, the Company carried out exchange activities on safety inspections and management for its Subsidiaries according to the annual plan, identified and managed potential hazards for the sites, equipment and facilities, optimised risk identification and established hierarchical management of safety risks, thus reducing the potential safety risks in production and operation.

Safety Risk Management Process



The Safety Management Department of the Company is responsible for the inspections of safety performance and measures at the Subsidiaries in China. If potential safety hazards are identified, we will ask the relevant terminals to rectify by issuing the Notification on Rectification of Potential Safety Hazards.

Case Study: Nantong Tonghai Terminal launched Production Safety Month Campaign



The Production Safety Month Campaign 2021 at Nantong Tonghai Terminal covered a wide range of activities, including convening traffic safety meetings in the port area, arranging all employees to learn about safety and environmental protection regulations, procedures and plans, occupational safety risks, occupational health, work-related injury prevention, port facility security, ecological and environmental protection, among others, as well as updates on the laws and regulations such as Safe Production Regulations, the Yangtze River Protection Law, so as to ensure employees fully understand the safety risk management system of the terminal.

ACCIDENT INVESTIGATION

The Group has established a comprehensive occupational safety and health management mechanism and a sound safety risk management system. In case of accidents in the workplace, we will carry out a rigorous investigation into the cause of the accident and implement mitigation measures to minimise the impact of it. At the same time, we will formulate corresponding preventive measures to avoid similar accidents from recurring.

Case Study: Lianyungang New Oriental Terminal organised operational safety classes for new drivers



Lianyungang New Oriental Terminal provided safety training for drivers to raise the knowledge and awareness of new terminal employees on operational safety. The training content included analysis of typical on-site traffic accidents and explanation of all safety precautions on site, thereby enabling them to understand the conditions of operational safety and adapt to the port operating environment.

OCCUPATIONAL SAFETY AND HEALTH TRAININGS

The Company and our terminals organise occupational safety and health trainings on a regular basis to continuously raise the safety awareness among our employees. During the year, the Company organised the "COSCO SHIPPING Ports 2021 Ecology and Environmental Protection Training and Safety Management Experience Sharing". Through external lectures and internal exchanges, we learned and drew lessons from advanced management concepts and working methods as well as pointing out the safety and environmental protection risks that port enterprises needed to consider in order to improve the safety management capabilities of ports. In addition, the terminal companies also hold various activities in the Operational Safety Month campaign in June every year and arrange for their staff to undergo appropriate occupational safety and health trainings based on the actual conditions.



COSCO SHIPPING Ports 2021 Ecology and Environmental Protection Training and Safety Management Experience Sharing



Lianyungang New Oriental Terminal conducted emergency handling training for the front-end employees of the terminal to improve their emergency preparedness and facilitate their rapid and effective rescue operations in case of emergency to help significantly reduce the impact of accidents.



Guangzhou South China Oceangate Terminal held fire emergency drills for short-circuit spontaneous combustion of empty container handler engines and motors for maintenance personnel and mobile machinery operators to strengthen their understanding of standard fire-fighting procedures and ability to respond to fire accidents.

In 2021, the number of participants of safety educations and trainings were 19,008, with a total of 57,282 training hours, safety training investment of RMB364,800 and a training rate of 100%. The number of full-time safety management personnel trained was 542, with training investment of RMB90,800 and a training rate of 100%.

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

Amid the COVID-19 epidemic, health protection of employees has been our top priority. The Group has taken comprehensive and prompt responses to curb the spread of COVID-19 in the early stage of outbreak. In order to ensure that our prevention and control measures comply with the requirements of the places where we operate in, the local governments and COSCO SHIPPING, our leading group and working group for epidemic prevention and control have coordinated to regulate the preventive measures for the headquarters and the Subsidiaries. In addition, we have also created a WeChat group for port companies to closely monitor the epidemic development as well as announcing and implementing corresponding measures in response to the COVID-19 situation.

In order to meet the requirements of “guard against imported cases and prevent a resurgence in local cases” stated by the State Council of the People’s Republic of China, the Company has required our domestic Subsidiaries to strictly implement daily prevention and control measures and further strengthen the safety and protection of port workers. The Company has established the Guideline for the Prevention and Control of the COVID-19 Epidemic for Ports and Front-line Personnel, showing full support for fighting against the epidemic. The guideline lists the major duties of epidemic prevention and control, and regulates the protection requirements, environmental sanitation conditions and emergency treatment procedures of terminal workers. We also pay close attention to the situation in overseas Subsidiaries by actively promoting normalised epidemic prevention and control, updating and optimising prevention and control measures and emergency plans, as well as sending early warnings and alerts of the epidemic according to the changes in epidemic prevention. Additionally, we have also been disinfecting port areas and office areas regularly, implementing shift work, monitoring the health of employees at the Company and terminals, distributing protective gears to employees, so as to protect the health and safety of employees.

Case Study: Quan Zhou Pacific Terminal developed COVID-19 nucleic acid testing auxiliary management system



In order to strengthen information management, Quan Zhou Pacific Terminal utilised the nucleic acid testing auxiliary management system to complete the steps of information collection and statistical analysis in nucleic acid testing procedures. The system has incorporated ID card automatic identification technology to help record employees’ testing cycles, and effectively arrange employees to conduct on-site testing to improve the efficiency of the nucleic acid testing process.

Case Study: Lianyungang New Oriental Terminal carried out nucleic acid testing practice drills for all employees



Lianyungang New Oriental Terminal actively cooperated with the municipal government's epidemic prevention drills by collecting nucleic acid test samples of all employees, thereby improving the awareness and ability of port employees in emergency command, logistics support, and volunteer services, as well as increasing their pandemic preparedness.

IMPROVING EMPLOYEES' PHYSICAL AND MENTAL HEALTH AND WELL-BEING

The Group places great emphasis on the work-life balance of employees, and actively organises different kinds of recreational activities in spare time to increase employees' sense of belonging and cohesion.

In April, the Shanghai headquarters of COSCO SHIPPING Ports held the Spring Healthy Run, allowing employees to explore Dongping National Forest Park together and visit the strawberry farm for strawberry picking, thereby promoting sporting culture and encouraging participants to expand their social networks.



In order to encourage employees to actively engage in sports activities, Quan Zhou Pacific Terminal and Jinjiang Pacific Terminal held the Entertaining Sports Day in June, attracting 275 employees to participate. The sports day featured ten events, including tug-of-war and team rope skipping, helping strengthen the bonds among employees and advocate the importance of exercising.

Lianyungang New Oriental Terminal paid attention to the health of employees and arranged annual physical examination for them in September, allowing the employees to better understand their actual physical conditions and enhance their health awareness.

TALENT TRAINING

The Company and the terminal companies continued to invest in a host of training resources to ensure that our staff keep abreast of industry trends, and to maintain our competitiveness and leading position in the market. The trainings covered a full range of operational, management and technical knowledge, which included:

- Executive Training Course and Special Training Course on Operational Management and Marketing
- Lean Management Seminar
- Training on the Statutory Requirements in relation to Environmental, Social and Governance, Governance Recommendations and Case Sharing
- Online Classes for Implementing New Development Concepts and Promoting High-Quality Development of State-Owned Enterprises
- Management Ability Improvement Training for National Port Enterprise Team Leaders
- Continuing Education and Training in the 2021 Engineering and Economics Series
- 2021 New Enterprise Accounting Standards Online Training
- Training on National Port Production Planning and Scheduling and Terminal Accident Handling
- Online Training Camp for Enterprise Performance Management Experts
- Special Work Permit Forensics
- On-the-job Training for Security Practitioners in Port Facilities

In 2021, the Company organised or participated in training for 7,623 hours and the total number of participants reached 155.



CHAPTER 8

CUSTOMERS FIRST





Catering for customers' needs has always been the top priority of COSCO SHIPPING Ports. We seize the opportunities brought by technological development, and improve operational efficiency and optimise service quality through the application of innovative technologies. At the same time, we continue to promote the construction of automated terminals, develop smart ports, expand the development of global ports and shipping by virtue of the Company's influence as an industry leader to develop a well-known brand.

The Group's focus areas in Customers First:

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

PERFORMANCE HIGHLIGHTS IN 2021

The Group's total throughput in 2021 reached 129,286,375 TEU, representing an increase of 4.4% as compared to last year. For the throughput of the terminal companies of the Company for the year ended 31 December 2021, please refer to the section headed "Operational Review" in the 2021 Annual Report of COSCO SHIPPING Ports.

During the year, COSCO SHIPPING Ports continued to enter into strategic cooperation agreements with suppliers to put the concept of "smart ports" into practice through joint research and development and the application of new technologies in business operations. In addition, we have completed the customer satisfaction survey for this year, and will continue to optimise service quality based on customers' suggestions, and strive to achieve customers' needs and expectations.

MANAGEMENT APPROACH

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

The Group treats “customers first” as one of its core philosophies, strives to keep abreast of market trends and continues to optimise service quality, in order to protect the rights and privacy of customers, and to provide professional services that can meet or even exceed customer needs. During the year, CSP Abu Dhabi Terminal successfully obtained the ISO 22301 Business Continuity Management System Certification. This certification is a recognition of the Group’s stringent quality service and management system, demonstrating our determination to pursue excellence.



THE FUTURE OF SMART PORTS

In order to build efficient smart ports, the Group fully supports technological innovation, and encourages its terminals to proactively develop and apply various new technologies in their operations, to promote the automation of operations in the terminals. During the year, Quan Zhou Pacific Terminal and Jinjiang Pacific Terminal successfully launched the Navis N4 operating system. We plan to gradually extend the system to all of our Subsidiaries in the next three to four years. Through the adoption of Global Shipping Business Network (GSBN) and blockchain technology, we also plan to further strengthen technological and digital development, and optimise the service level of terminal information technology. In addition, the Group uses an MIS system based on Navis N4 and SAP financial system, so as to unify the data standards and processes of each terminal and improve the transparency of production and operation management. In addition to promoting sharing of information between upstream and downstream operations in the terminals, it also improves the operation efficiency of terminals and provides customers with a better service experience.



In order to continuously improve operational efficiency, we also support terminals to introduce more smart port technologies. Xiamen Ocean Gate Terminal has officially launched the commercial operation of "Smart Port 2.0" during the year. Xiamen Ocean Gate Terminal partnered with Dongfeng Corporation and China Mobile to develop technologies and conduct on-site tests, successfully applying various smart technologies, including 5G network commercial applications, intelligent system for unmanned truck fleets and loading and unloading intelligent systems. The Group's "Research and Development Center of Transport Industry of Automated Terminal Technology" has also become the research and development base of this project. Combining resources from different corporations, universities, and research and development institutions, the Group conducted research on automated terminal technology in the areas of design, construction, operation and maintenance, promoting cooperation with different parties and the development of intelligent port technology.



The commercial operation of "Smart Port 2.0" was officially commenced on 21 December 2021.

The Group considers smart ports as the development trend in the industry, thus actively cooperates with all parties to promote smart port technology. CSP Wuhan Terminal and China Mobile Communications Group Co., Ltd. (Hubei-Wuhan Branch) entered into a 5G strategic cooperation agreement for the phase two project of Container Water-Rail Intermodal Transport at the Yangluo International Port, and exchanged experiences and plans in the construction of 5G smart ports. This cooperation focuses on the construction and application of 5G smart ports, and plans to build the phase two project of Water-Rail Intermodal Transport into a “smart, green and efficient” port. Through utilising new technologies to establish 5G smart inland port, Wuhan Yangluo Terminal will become the first automated terminal for railway loading and unloading in China.



IMPROVING SERVICE SYSTEM

In order to continuously optimise the existing service system and meet customers' needs, the Group continues to develop new technologies. So far, the Company has obtained a total of 19 patents, covering equipment such as quay cranes, containers and trailers to provide customers with more advanced and efficient terminal services.

We strive to implement various measures for the development of increasingly large vessels for customers, and proactively introduce technology to assist in the berthing and departure of vessels at terminals. Based on 5G network, high-precision positioning and ship-shore coordination and other technologies, the timing, stability and reliability of berthing and departure of large ships are improved, achieving auxiliary berthing. When ships enter and leave the port channel, the port positioning sensor can accurately sense the ships entering and leaving the port, and transmit the berthing needs of the ship in time. The port and the ship will then transmit data for two-way verification, while using the sensor that is combined with artificial intelligence technology to detect obstacles and eliminate blind spots effectively, to reduce the risk of collision when ships are berthing and leaving. Through manual intervention to complete auxiliary berthing, efficient allocation of port berth resources and ship berthing guidance can be achieved, so as to improve port operation efficiency and resource utilisation to lower operating costs and enhance operation safety.

During the process of smart port construction, we use new technology to improve the efficiency and safety of terminal on-site operations to provide better customer service experience. During the year, Piraeus Terminal introduced quay crane remote control system and implemented a “smart core” for the first time to achieve remote semi-automatic operation of quay cranes. The remote control system is equipped with various intelligent technologies, such as truck guidance system, container number identification system, among others, to improve the loading and unloading capacity of port container terminals. CSP Abu Dhabi Terminal cooperated with domestic leading artificial intelligence companies to introduce unmanned truck projects, and used unmanned driving technology to expand the development of automated terminals. Vehicles are equipped with binocular artificial intelligence cameras, lidars, millimetre-wave radars and other technologies, which can scan the surrounding environment in real time and make real-time decisions during automated driving, improving the efficiency of on-site operations.



CSP Abu Dhabi Terminal cooperated with domestic leading artificial intelligence companies to introduce unmanned truck projects.

In addition, by setting up a collection warehouse in the port area, users of Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal can apply for unpacking and warehousing immediately after the goods arrive at the port, and allow the goods to be picked up after the release of the separate bill of lading. Through streamlining the process of cargo handling, logistics costs are reduced, efficiency is improved, and cargo collection becomes more convenient, resulting in the enhancement of customer service experience.

STRENGTHENING EXTERNAL COMMUNICATION

COSCO SHIPPING Ports constantly maintains close communication with its customers to gain an in-depth understanding of customer needs and improve the service system. Our Subsidiaries seek customers' opinions and suggestions on the quality of our terminal services regularly through various channels such as questionnaires, meetings, business visits, promotional events and seminars. During the year, the Company had not received any customer complaints, while terminal companies received 41 service-related complaints, and achieved a 100% response rate. In addition, the Company and terminal companies completed customer satisfaction surveys during the year, 100% and 82% interviewed customers responded 'satisfied', respectively, which shows that customers highly recognise our terminal service quality. To further motivate employees to serve customers more diligently, the Group includes customer evaluation in the performance appraisal of employees and the management. We will continue to endeavour to deliver caring service to our customers.

The Company has gradually increased the number of regional marketing representatives and adopted a one-to-one marketing system, allowing regional headquarters to communicate closely with customers and make tailor-made improvements to maintain long-term business relationships. In addition, our terminal companies have set up customer service hotlines for customers to speak up. In case a complaint is received, the Group will properly handle it according to internal guidelines and continuously improve the business operations. The marketing personnel of our headquarters also regularly visits the headquarters of major shipping companies. In 2021, facing the challenges brought by the epidemic, the Group continued to provide online services to ensure smooth communication with customers, while, in countries and regions where the epidemic is under control, we maintain face-to-face visits to serve customers with sincerity.



INFORMATION SECURITY

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

Cyber security is also a major focus of information security. The Corporate Management Department and the Information Technology Development Department of the Company assists in daily cyber security work. The departments continuously promote various cyber security knowledge within the Company, and strengthen the management and staff's awareness on cyber security. During the year, we carried out promotion and trainings on the universality of cyber security and profession-specific learning for all staff and information technology personnel, respectively. Information on cyber security awareness was conveyed through multiple meetings, online courses and emails, among others. In order to improve the cyber security awareness of information technology personnel, we held a seminar on the information technology development of CSP Wuhan Terminal, and invited cyber security companies to conduct online meetings for the information technology personnel of our Subsidiaries to discuss and exchange ideas on cyber security management and awareness of safeguarding information.

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



Promotional materials on cyber security



The seminar on the information technology development of CSP Wuhan Terminal

BOOSTING THE DEVELOPMENT OF THE PORT AND SHIPPING INDUSTRY

COSCO SHIPPING Ports aims at becoming a leading ports operator by capturing investment opportunities around the world to optimise its global terminal portfolio. During the year, we were invited to participate in the 2021 APEC Smart Port Development Forum to share innovative ideas of building a “smart port” with the audiences, including physical innovation, technological innovation and model innovation. Aligning with the theme of the forum “Developing Smart Ports and Promoting Supply Chain Interconnection”, we have fully promoted cooperation in the port and shipping industry, and carried out new technology applications and forward-looking technological research. We have also encouraged upgrading and transforming traditional terminals into intelligent terminals on a global scale, expanded the port logistics chain, industrial chain and value chain, and provided high-quality services for the port and shipping ecological chain. Xiamen Ocean Gate Terminal was awarded the 2021 APSN Green Port (GPAS) during the year, showing that our performance in continuing to build green and low-carbon terminals is recognised by the market.



The Company shared its insights, experience and achievements of the “Smart Port” construction of COSCO SHIPPING Ports during the keynote speech on “Development Trends and Practices of Smart Ports”, and put forward the development direction and vision on the development trend and the challenges faced.

CHAPTER 9

GREEN DEVELOPMENT





Climate change poses grave challenges to business operations. The Company continues to work closely with stakeholders to respond to and mitigate the impact of climate change. We uphold our commitment to properly manage natural resources, minimise the impact of our operations on the environment, and speed up the development of “Green Ports” to achieve sustainable development.

The Company’s focus areas in Green Development:

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

PERFORMANCE HIGHLIGHTS IN 2021

During the year, the Company set targets for four environmental performance for its Subsidiaries, so as to monitor and manage our environmental performance more systematically and drive continuous improvement.

Environmental performance	Target	Performance of the Subsidiaries in 2021 ⁶
Reduction in greenhouse gas emissions	To reduce the greenhouse gas (Scope 1 and Scope 2) emission intensity of our Subsidiaries by 20% in 2030, setting 2020 as the base year, and to achieve carbon neutrality no later than 2060.	Greenhouse gas emission intensity ⁷ : 9.24 kg of CO ₂ equivalent per TEU, representing a decrease of 1.2% year-on-year (2020: 9.36 kg of CO ₂ equivalent per TEU)
Improvement in energy use efficiency	To reduce the energy consumption intensity of our Subsidiaries by 15% in 2030, setting 2020 as the base year.	Energy consumption intensity ⁷ : 0.0866 GJ per TEU, representing a decrease of 1.9% year-on-year (2020: 0.0883 GJ per TEU)
Improvement in water efficiency	To enhance the management of water resources and improve water efficiency.	Water consumption intensity ⁷ : 0.04 m ³ per TEU, representing a decrease of 6.3% year-on-year (2020: 0.05 m ³ per TEU)

6 Among the existing 15 Subsidiaries of the Company, Chancay Terminal in Peru is still under construction and the acquisition of Tianjin Container Terminal was completed in December 2021. Their environmental performance was not included in the performance of the Subsidiaries for 2021.

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

Environmental performance	Target	Performance of the Subsidiaries in 2021 ⁶
Reduction in waste	Hazardous waste: To maintain 100% hazard-free disposal of waste.	100% of hazardous waste was handled by recycling companies or material suppliers with professional qualifications
	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.	<i>No quantitative target is set</i>

The Company continued to enhance its climate change risk assessment, identifying and prioritising risks related to climate change in the port industry. In May 2021, the Company launched a green finance framework, which has successfully passed the verification by the Hong Kong Quality Assurance Agency, demonstrating our commitment in driving green development. This framework, covering COSCO SHIPPING Ports and its Subsidiaries, serves as a guideline in funding eligible green projects by way of green bonds or loans and regulates the use of proceeds.

MANAGEMENT APPROACH

The Company strictly complies with all national and local environmental laws and regulations⁸ and ensures compliant operations by the Company and its terminal companies. During the year, there were no non-compliance incidents of the Group. Before commencing all large-scale projects, we engage consultants to conduct environmental assessments to ensure that local environmental requirements are met.

To improve the performance of terminal companies in environmental management, the Company has revised and improved the Management Guidelines on Energy Saving and Emission Reduction, and has formulated the Management Guidelines on Ecological and Environmental Protection, the Supervision and Inspection Management Measures on Ecological and Environmental Protection and the Contingency Plan for Emergency Environmental Incidents as the guiding principles for its Subsidiaries in China, and requires them to develop environmental policies and governance approach based on their own operational practices. In addition, in accordance with the requirements of the management guidelines mentioned above, 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 summary report on the investigation of environmental pollution related-risks or information related to energy saving and emission reduction.

We continue to improve management regulations, monitor and analyse the environmental performance of terminals and regularly review environmental risks. At the same time, we encourage our terminals to apply for international environmental protection recognitions and certifications to reflect our environmental management capabilities.

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

Environmental certifications obtained by terminal companies

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

ENERGY SAVING AND EMISSIONS REDUCTION

The Company is committed to promoting energy saving and emissions reduction to support China in achieving the “dual carbon” national goals, respond to the initial strategy on reducing greenhouse gas emissions of the International Maritime Organization (IMO), and meet shipping companies’ need to cut emissions. We have established a Steering Team for Energy Saving and Emission Reduction and an Energy Saving and Emission Reduction Management Office to monitor the emission reduction-related policies, performance and targets of the Company and its domestic Subsidiaries, and established relevant appraisal and award mechanisms.

To reduce greenhouse gas emissions and improve energy use efficiency, the Company has set the following targets for the Subsidiaries:

Reduction in greenhouse gas emissions	To reduce the greenhouse gas (Scope 1 and Scope 2) emission intensity of our Subsidiaries by 20% in 2030, setting 2020 as the base year, and to achieve carbon neutrality no later than 2060.
Improvement in energy use efficiency	To reduce the energy consumption intensity of our Subsidiaries by 15% in 2030, setting 2020 as the base year.

In order to achieve or even exceed the above targets as soon as possible, we are committed to driving the development of terminal automation and smart ports, using more advanced and energy-efficient equipment, and continuing to facilitate technological upgrade and explore the use of technology. During the year, our terminal companies continued to proactively facilitate energy saving and emission reduction through the following four initiatives:

INITIATIVE 1: INSTALLING SHORE POWER SYSTEMS

The use of shore power system at terminals allows vessels to use electricity without running their engine generators when they are at berth, thus reducing fuel oil consumption, reducing air pollutants such as carbon emission, sulphides and nitrogen oxide, and also reducing noise, thereby creating a comfortable working environment at the terminals. Currently, all of our Subsidiaries in China have already installed shore power systems.

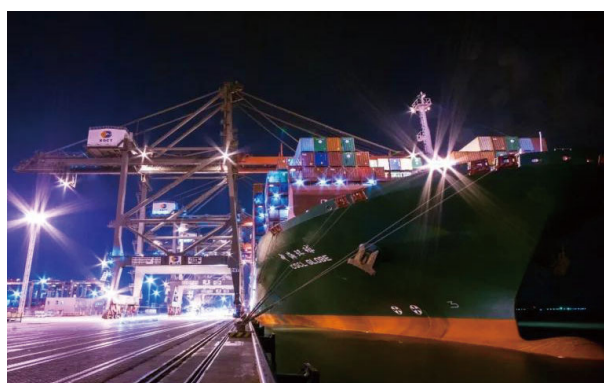
Case Study: Shore power systems at Xiamen Ocean Gate Terminal

Xiamen Ocean Gate Terminal has been actively investing in the construction and implementation of green projects such as shore power for vessels and intelligent production upgrades. It has already completed the construction and renovation of seven sets of shore power facilities, which can reduce carbon dioxide emissions by up to approximately 7,900 tonnes per year.



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

In order to reduce energy consumption, our Subsidiaries continue to switch to using energy-efficient LED lighting systems to replace high-pressure sodium lamps with shorter lifespan and higher pollution. For instance, Guangzhou South China Oceangate Terminal replaced the 1,000 W sodium lamps of the quay crane by 400 W LED lamps; while the high-power lighting LED retrofits of Jinjiang Pacific Terminal and Xiamen Ocean Gate Terminal are expected to save more than 18,000 kWh and 2 million kWh of electricity per year, respectively.



INITIATIVE 3: ELECTRIFICATION OF INFRASTRUCTURE

We continue to promote diesel-to-electricity conversion with the objective to increase the proportion of electricity and hybrid energy use, and reduce the dependence on fossil fuels such as diesel and gasoline with higher carbon emissions. During the year, Jinjiang Pacific Terminal transformed four sets of traditional rubber tyre gantry (RTG) cranes into hybrid power, reducing the frequency of maintenance of engines and the consumption of lubricating oil. Meanwhile, CSP Zeebrugge Terminal acquired four hybrid container straddle carriers. Over the years, we have been facilitating diesel-to-electric conversion of equipment or the use of electric or battery-powered equipment covering gantry cranes, straddle carriers, articulated booms, reach stackers, empty container handlers and forklifts, among others, with the aim of reducing energy consumption and saving costs at the same time.



The Coverage of Electric RTG Cranes among the Subsidiaries in China by the end of 2021⁹:



12% Traditional RTG crane

88% Electric RTG crane (eRTG)

In 2021, the electrification of RTG reduced diesel consumption by around 890,000 litre, representing emissions of around **2,325 tonnes** of CO₂ equivalent.

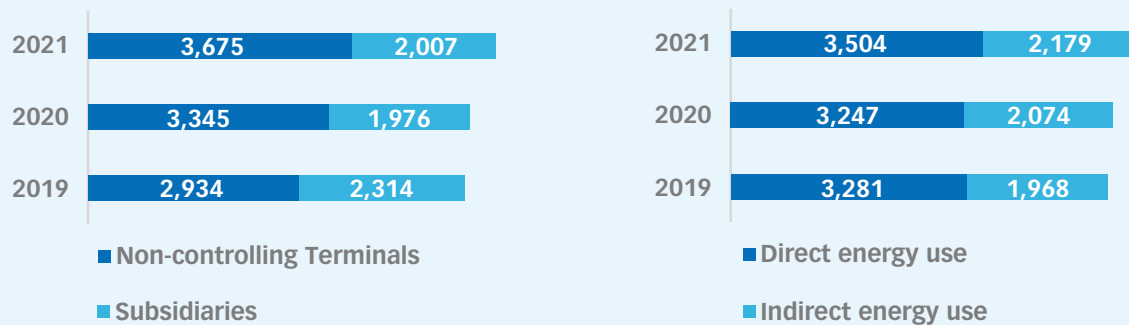
INITIATIVE 4: CONTINUOUS PROMOTION OF THE APPLICATION OF NEW ENERGY

To improve air quality at the terminal and reduce carbon emissions, we continue to promote the use of liquefied natural gas or clean energy-powered vehicles and electric vehicles. CSP Spain Related Companies and Shanghai Pudong Terminal have initiated photovoltaic power generation projects and will install solar panels in the port area in the future. In addition, CSP Zeebrugge Terminal is conducting a feasibility study for wind power, with a view to promoting the use of renewable energy.

⁹ The statistics excludes CSP Wuhan Terminal.

PERFORMANCE SUMMARY OF ENERGY CONSUMPTION AND GHG EMISSIONS¹⁰

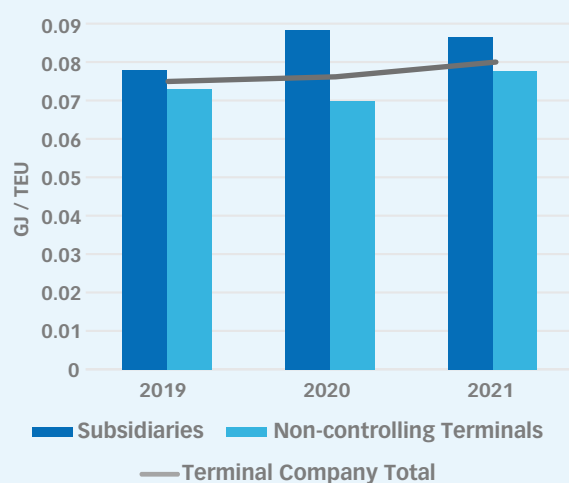
Energy Consumption (TJ)



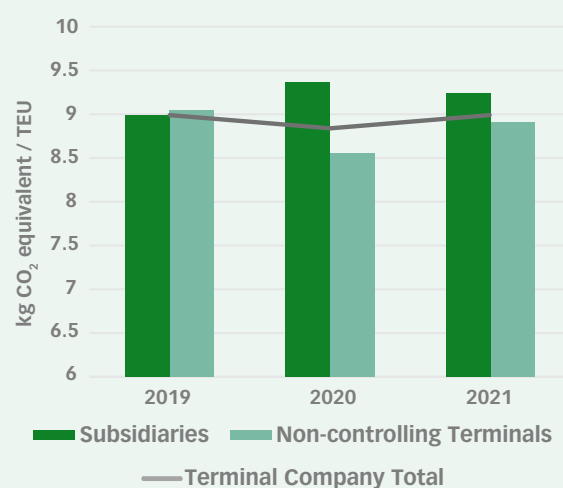
Greenhouse Gas Emissions (tonnes of CO₂ equivalent)



Energy Consumption Intensity



Greenhouse Gas Emission Intensity



¹⁰ Excluding the energy consumption and GHG emissions of the Company. For details of our environmental performance, please refer to Chapter 12 – Appendices – Key Performance Indicators of this report.

PROPER MANAGEMENT OF RESOURCES

The Company follows international and industry best practices to ensure that natural resources are managed in a compliant manner, thus minimising the potential impact of business operations on the environment and natural resources.

WATER RESOURCES AND SEWAGE MANAGEMENT

Water used in terminal companies is sourced from municipal supplies. Production water consumption is mainly used for maintenance and repair of daily facilities and berth and yard cleaning, while domestic water consumption is used for office buildings and canteens. In an effort to effectively optimise the use and management of water resources, we set the following target for our Subsidiaries:

Improve water use efficiency	To enhance the management of water resources and improve water use efficiency.
-------------------------------------	--

Our Subsidiaries actively carry out education campaigns to raise staff's awareness on water saving, and encourage them to save water on a daily basis, while implementing various water-saving measures based on specific circumstances, such as regular inspections of water supply networks, water saving equipment and system, and monitoring of water consumption levels to ensure prompt repairment of leak spots and avoid wastage.

In terms of sewage discharge management, we strictly follow the process specified in the Wastewater Quality Standards for Discharge to Municipal Sewers (CJ343-2010) to handle wastewater, so as to ensure the safe treatment of wastewater. The sewage treatment stations at terminals apply SBR activated sludge process to handle domestic and oily wastewater at ports. The oily wastewater generated from the oil-water separators will be passed to companies with professional qualifications for recycling purposes. The remaining sewage which passes the reclamation standard will be reused for irrigation and site cleaning. During the year, on top of the existing mobile mechanical sewage treatment station and domestic sewage treatment station, Guangzhou South China Oceangate Terminal implemented secondary treatment on the treated sewage, ensuring the water quality can meet the standard for domestic water, which can be reused for vehicle cleaning, toilet flushing and irrigating around the berths to achieve water saving.

WASTE MANAGEMENT

To optimise waste disposal and strengthen the protection of the ecological environment, the Company set the following targets for the Subsidiaries:

Hazardous waste	To maintain 100% hazard-free disposal of waste.
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.

We stick to the 3R principle of environmental protection, i.e. reduce, reuse and recycle, to reduce waste. The types of hazardous and non-hazardous waste generated from the terminals¹¹ during operations and respective treatment measures are as follows:

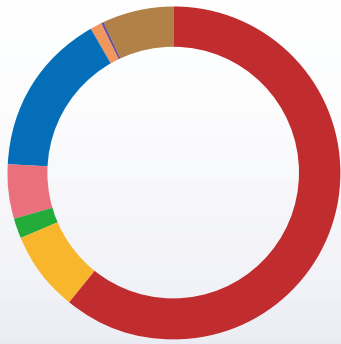
Types	Proportion of the overall waste of the Group*	Treatment measures
Hazardous waste		
Solid chemical waste (such as waste oil contaminated rag, waste wire rope, scrap metal, waste oil drum and waste oil sludge)	68.3%	Waste is collected and properly stored and handled by companies with professional qualifications or by material suppliers. For waste oil, the terminals strengthen daily maintenance of machinery and equipment, and continue “diesel-to-electric” conversion to reduce waste oil generation.
Liquid chemical waste (such as waste lead acid battery and waste oil)	7.9%	
Others	2.9%	
Non-hazardous waste		
Wooden pallets	4.1%	Companies with professional qualifications or material suppliers are engaged. Waste is stored in collection zones before being transferred to designated locations by the environmental hygiene department for daily treatment in sealed containers.
Others (such as municipal waste from ports)	16.7%	

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

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

In 2021, the types of waste recycled by the Group are as follows:

Waste Recycled by Category in 2021



61.0%	Solid chemical waste
8.0%	Liquid chemical waste
1.9%	Other hazardous waste
5.3%	Wooden pallets
15.9%	Tyres
0.9%	Paper
0.2%	IT equipment
6.7%	Other non-hazardous waste

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

RESPONSE TO CLIMATE CHANGE

The Company operates terminals worldwide, including areas which are sensitive to climate change. We realise that the magnitude and velocity of climate change are intensifying, which adversely impact business operations and the places where we operate in. Therefore, we appointed an independent consultant to conduct climate risk and opportunity assessment in 2021 to actively enhance the governance of and transparency towards climate change. We focus on two areas in response to climate change:

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

RISKS AND OPPORTUNITIES IN RELATION TO CLIMATE CHANGE

With reference to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we identified climate-related risks and opportunities on a preliminary basis, categorised the risks into physical risk and risks related to the transition towards a low carbon economy, and prioritised them according to their impacts on business operations. Extreme weather and climate events, carbon trading system and the IMO sustainable development strategies are identified as the most significant climate-related risks to our business.

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

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

Types of opportunities	Scope	Opportunity description
Resources efficiency	<ul style="list-style-type: none"> • Adopt more efficient means of transportation • Implement a more efficient process of production and distribution • Apply recycling technology • Buildings and facilities with higher efficiency are built • Reduce water discharge and water consumption 	<ul style="list-style-type: none"> • Supply of liquefied natural gas to vessels • Compared with other modes of transportation such as air freight, road freight, rail freight, the amount of carbon dioxide emissions per kilometer-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 construction of green ports and shore power facilities, etc.) • Increase in transportation volume of green products (such as wind power equipment or electric vehicles)
Products and services	<ul style="list-style-type: none"> • Develop and/or expand low emission goods and services • Solutions to climate adaption and insurance risks • Research and development and innovation • Diversification of business activities • Change in consumers' preferences 	<ul style="list-style-type: none"> • Global warming accelerates glacial meltdown and shortens the time for ice-freezing in the Arctic region, bringing development opportunities to the logistics and transportation business (including shipping services and ports) in the regions of open water
Market	<ul style="list-style-type: none"> • Entry to new markets • Motivation from authorities • Demands and initiatives from communities 	
Adaptability	<ul style="list-style-type: none"> • Participate in renewable energy projects and adopt energy-saving measures • Alternatives/diversification of energy 	

MEASURES TO RESPOND TO CLIMATE CHANGE

We analyse climate-related risks and opportunities, and develop strategies to mitigate and adapt to climate change, striving to minimise the threat of climate change to the business.

Typhoon Measures

During the year, several terminals experienced challenges from typhoons. Thanks to our regular drills on typhoon and flood response, our staff was able to effectively handle such emergencies and take contingency measures in a timely manner, thus ensuring their own safety and the orderly operations of the terminals.

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

During the year, Quan Zhou Pacific Terminal established a wind-proof control system for quay cranes. The system will immediately suspend the operation of the quay crane when it detects a deviation between the operating speed and the actual speed of the quay crane, so as to ensure the safe and reliable operation of the quay crane under strong wind. This system was successfully awarded the first prize in the "Five Small" Innovation Competition for Millions of Workers organised by Fujian Federation of Trade Unions.

Case Study: Lianyungang New Oriental Terminal carried out drill against strong wind in spring

Lianyungang New Oriental Terminal organised a drill against strong wind on 26 March, simulating gusts of wind on site without prior notice and predetermined danger level. After receiving emergency reinforcement instruction, the personnel at each post reinforced the quay cranes and yard cranes immediately according to the contingency plan, and promptly checked whether the site met the requirements for stacking.

During the drill, all personnel took prompt actions, and mastered the windproof reinforcement process in a smooth and proficient way, which greatly improved the ability to respond to sudden severe weather.



Case Study: Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal responded to Typhoon Kompasu

On 12 October, Typhoon Kompasu edged to the coastal area of Guangdong. Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal immediately implemented anti-typhoon procedures, and issued a typhoon prevention notice to the shipping industry. The staff quickly used anchor chains to secure the quay cranes and the yard cranes, closed the gate at 9:00 pm, and suspended the service of outside vehicles. The night shift workers closely monitored the movement of Kompasu and the changes in wind and tidal water levels in the port area, so as to ensure that the terminals could resume normal operation in a safe and orderly manner as soon as possible after the typhoon weakened.



Measures to Prevent Heatstroke

The Group realises that climate change has led to an increase in the average temperature and heat waves have become increasingly frequent, which may affect the health of outdoor workers. To minimise safety accidents caused by high temperature, Nantong Tonghai Terminal has developed guidelines for working under high temperature. When the temperature goes up to 37°C for three consecutive days, the contingency steering group will adjust the rest break arrangement of outdoor workers, reduce outdoor working hours, increase manpower and adopt a more frequent rotation within shift. When the temperature is over 39°C, all outdoor operations will be suspended immediately.

Carbon Trading

Even before China launched the national carbon emissions trading system, Shanghai Pudong Terminal and Shanghai Mingdong Terminal were already included in the carbon trading scheme of Shanghai in accordance with the Interim Measures on Carbon Emissions Management of Shanghai Municipality starting from 2018. Since 2019, the two terminals have carried out carbon emission monitoring, reporting and settling, respectively. The Company and its terminals will continue to monitor the latest development of carbon trading, follow the technical specifications of carbon trading and related management in various regions, and cooperate with local governments in emissions reduction.

Innovative Goods

Investment in renewable energy is going up all around the world, resulting in more innovative goods. China has now become a major exporter of wind power equipment. A significant increase in orders for exporting wind power equipment is witnessed recently, allowing us to benefit from a green economy. We will continue to improve terminal facilities and procedures to support new cargo types in advance to ensure that the cargo can be safely delivered.

RAISING ENVIRONMENTAL AWARENESS

We continue to communicate with stakeholders to promote environmental protection awareness, implement various environmental protection initiatives in our daily operations with the aim of joining hands in building “green ports”.

The Company is committed to protecting the ecological environment of the places where it operates in, and reinforcing the principal responsibility of its Subsidiaries in China in terms of ecological and environmental protection. It also makes efforts to strengthen ecological and environmental protection education and training, and establish a sound and holistic ecological and environmental protection working mechanism covering supervision, accountability and performance appraisal to promote green and sustainable development. Based on the Statement of Responsibility for Operational Safety and Ecological and Environmental Protection of China COSCO SHIPPING Corporation Limited, we have set up a leading group on ecological and environmental protection and an ecological and environmental protection management office, which are responsible for assessing the current status of ecological and environmental protection and implementing performance appraisal among the Subsidiaries in China. They also conduct quarterly ecological and environmental protection inspections and special inspections so as to avoid material violations of laws and regulations.

In order to actively improve the ecological environment, Xiamen Ocean Gate Terminal conducts an annual survey on the ecology of the sea area near the terminal, monitors plankton and sediments, and conducts monthly inspections of sewage discharge outlets to ensure that daily operations of the terminal will not affect the ecological environment.

We shared articles such as Low-carbon Living Starts with Me, Happy Low-carbon Living from Green Consumption and Speeding up the Development of Low-carbon Production and Living on the Company's WeChat account to advocate the concept of low-carbon development, and promote the knowledge of ecological civilisation, green development and energy saving and emissions reduction. We also put up signs in office areas to encourage our staff to save water and turn off idle office equipment in order to eliminate unnecessary energy consumption.



CHAPTER 10

WIN-WIN COOPERATION





COSCO SHIPPING Ports actively enhances its operational level and competitiveness in order to achieve corporate sustainable development. The Group constantly explores partnership with the industry chain and jointly facilitate the development of a sustainable “global shipping ecosphere” by improving the quality and efficiency of industrial development. With an objective to create a sustainable and responsible supply chain, we proactively adopt efficient management measures to drive and maintain a responsible procurement practice.

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

Responsible procurement	Adopt a stringent procurement and tendering mechanism; evaluate new suppliers in the areas of compliance, environment, social, health and safety; and review the performance of existing suppliers on a regular basis
Cooperation with contractors	Proactively maintain close communication with contractors regarding safety issues and the identification of potential hazards; enhance safe operations and prevent outsourcing risks through safety trainings and safety inspections
Strengthening cooperation along the industry chain	Strengthen cooperation with upstream and downstream players of the shipping industry chain, and develop strategic relationships which offer mutual benefits

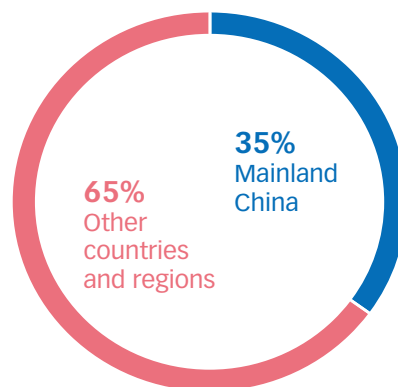
PERFORMANCE HIGHLIGHTS IN 2021¹²

The Company and the terminal companies worked with 6,491 suppliers, of which 3,518 are based in Mainland China and 2,973 are based in countries and regions outside Mainland China.

Procurement Expenditure by Type



Procurement Expenditure by Geographical Location



During the year, 3,661 existing suppliers were evaluated. The result is as follows:



Grade A Suppliers:
56%



Grade B Suppliers:
40%

¹² Excluding COSCO-PSA Terminal and Piraeus Terminal as relevant supply chain information of these terminals are not available.

MANAGEMENT APPROACH

The Group is committed to enhancing its supply chain management strategy to increase the overall competitiveness and efficiency of its supply chain. During the year, the Group reviewed and improved management regulations including centralised procurement, and regulated procurement procedures and the process of supplier selection. The Group regularly reviews all procurement-related management measures to ensure efficient supply chain management. In addition, we ensure suppliers' compliance with the Group's stringent standards by reviewing their performance in the aspects of compliance, operations and products. In order to improve operational efficiency and reduce business risks in the long run, the Group proactively maintains long-term partnership with outstanding suppliers to achieve mutual benefits.

The supply chain management of COSCO SHIPPING Ports covers four basic principles:

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

The Subsidiaries of the Company, such as Xiamen Ocean Gate Terminal, Guangzhou South China Oceangate Terminal, Jinjiang Pacific Terminal and CSP Wuhan Terminal, among others, have also established their own supplier management measures. In terms of the tender exercises, CSP Abu Dhabi Terminal requires suppliers to sign a confirmation of compliance after bidding for them to commit to complying with the United Arab Emirates Federation labour laws. The Group attaches great importance to supplier management and endeavours to explore more cooperation opportunities with suppliers to establish stable and long-term business partnerships, thereby expanding our business.

RESPONSIBLE PROCUREMENT

In order to build a shipping ecosystem that offers mutual benefits, the Group manages its supply chain in the three aspects below in accordance with the principle of sustainable development:

STRINGENT POLICIES

To develop a sustainable and responsible supply chain, the Group has developed stringent requirements on suppliers and set up a number of selection criteria. All suppliers who intend to participate in tender exercises are required to complete the Supplier Self-evaluation on the Compliance with Social Regulations for our assessment. Not only does it allow us to understand the suppliers' compliance with relevant laws and regulations in the regions where they operate in, but also to consider their financial conditions, business reputation, corporate governance, safety and environmental performance, and social contribution, so as to select outstanding and all-rounded suppliers.

CANDIDATE EVALUATION AND SELECTION

Eligibility of new suppliers are strictly reviewed to ensure their compliance. Our comprehensive eligibility review covers suppliers' commitments and performance in the areas of laws and regulations, health and safety, environment, prohibition of child labour and forced labour, remuneration and working hours, anti-discrimination, employees' rights and their requirements on upper-tier suppliers. We will also visit external suppliers with larger procurement scale to better understand their production, operations and capacity on-site.

REGULAR ASSESSMENT

In order to ensure that the suppliers meet our requirements, the Group conducts an annual qualification review on the existing suppliers listed in the database in December every year to evaluate their basic qualifications, cost competitiveness, supply performance, quality control, customer service, business innovation and safety and environmental performance. Based on the scores of the evaluation, suppliers are divided into four categories. Suppliers in grade D will be removed and prohibited from re-entering the database for three years.

We have established four sets of scoring standards for each of the purchasing categories covering consultancy services, engineering, equipment and materials to ensure the scoring indicators are in line with the nature of and our requirements for various businesses.

Grade A (with a score of 85-100)	Grade B (with a score of 70-84)	Grade C (with a score of 60-69)	Grade D (with a score of 0-59)
Excellent suppliers	Good suppliers	Suppliers who require improvement	Suppliers who should be removed
Priority will be given for partnership under the same contractual conditions	Standard business partnerships will be maintained	Focused inspections on specific areas will be conducted to facilitate improvement in underperforming areas; procurement from such suppliers will be generally suspended before rectifications are completed	Suppliers will be removed and prohibited from re-entering the database for three years

The Group also proactively drives its terminals to ensure green procurement. During the year, Xiamen Ocean Gate Terminal and Quan Zhou Pacific Terminal entered into agreements in respect of the purchase of LED lighting in accordance with the requirements set out in the Centralized Procurement Management Regulations of COSCO SHIPPING Ports Limited to promote the purchase of LED lighting with high energy efficiency, and conducted regular quality check on the lighting to ensure that the products meet our environmental requirements. In addition, when we purchase electronic products, priority will be given to products with Grade 1 energy label or certified with international ENERGY STAR to meet the need for higher energy efficiency. For instance, the air purifiers, refrigerators and other electrical appliances purchased in 2021 had these energy labels.

COOPERATION WITH CONTRACTORS

COSCO SHIPPING Ports is committed to integrating the concept of environmental protection and social interests into supply chain management. In the contractor selection process, the Group will only consider and choose contractors who comply with the requirements set out in environmental impact assessment reports and international standards (such as ISO 14001 and ISO 45001, among others) to ensure that they do not cause significant and negative impact on the environment and the society in the course of operations. In addition, we endeavour to improve the safety management of business outsourcing as we developed the Subcontract Regulations, and identified and assessed outsourcing risks for our terminal companies with the aim of adopting effective risk prevention measures. The Group has also implemented relevant safety management regulations and appointed designated supervisors to provide safety trainings and conduct safety inspections on a regular basis to enhance staff's awareness of occupational safety and health. Supervisors also maintain close communication with contractors and subcontractors on hidden safety hazards, to encourage and assist them in implementing and maintaining safety and risk management measures. For instance, the responsible personnel at Guangzhou Nansha Stevedoring Terminal will brief new drivers employed by the contractors on the contingency plans in relation to fire accidents and the use of fire extinguishing devices, thereby strengthening their emergency response capabilities.

To ensure the health and safety of terminal staff, the Company has developed the Operational Safety Regulations. If the work environment falls short of the basic requirements on occupational health, terminal staff has the right to refuse to work until the situation is fixed and resumed to the standard level. In the meantime, the terminal companies have developed various management measures in relation to the safety of business outsourcing, including:

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

STRENGTHENING COOPERATION ALONG THE INDUSTRY CHAIN

COSCO SHIPPING Ports strives to expand our global terminal network to increase the overall transportation efficiency. The Group also continues to strengthen cooperation with all parties along the shipping industry chain with the aim of optimising our performance in the value chain and creating higher value for our customers.

ENHANCING STRATEGIC COOPERATION

With the objective to constantly optimise the quality and efficiency of development in the industry, the Company has proactively extended our terminals' supply chain to logistics services and introduced a new logistics model at the terminals. During the year, Lianyungang New Oriental Terminal cooperated with ship owners and cargo owners and developed the business of reloading grains from open-top containers to ocean freight containers for exports. Leveraging on this new logistics model, the cargos in railway containers are directly transported to Lianyungang New Oriental Terminal for reloading and shipping, not only reducing the rate of breaking and damaging, as well as the impact on the environment, but also saving transit time and logistics costs. Meanwhile, Xiamen Ocean Gate Terminal established a close partnership with COSCO SHIPPING Lines (Xiamen) Co., Ltd. to guarantee the loading and unloading efficiency of the "Xiamen-Shanghai" service. This service also forms a sea-railway intermodal transportation network with the special railway line being set up by Xiamen Ocean Gate Terminal, offering a new logistics service to the domestic trade market in Xiamen.



Lianyungang New Oriental Terminal's first ever operation of reloading grains from open-top containers to ocean freight containers for exports on 21 March 2021.

The Group encourages its Subsidiaries to deepen cooperation with all parties along the industry chain to improve the shipping business environment. Jinjiang Pacific Terminal commenced the project of transshipment of wind turbine blades in Shenhui Port Area in August 2021. In order to ensure efficient and smooth completion of the loading and unloading operations, Jinjiang Pacific Terminal discussed and formulated a proposal for the shifting of cargo with the cargo owner and the crew in the course of loading and unloading the wind turbine blades at the port. The terminal developed the Guidelines for Loading and Unloading of Wind Turbine Blades and proposed specific measures such as assigning special trucks for two-way transit, using special slings for operation and connecting lifting points with shackles, among others, to ensure the efficiency and safety of the loading and unloading process.



With the aim of building a sustainable shipping industry, COSCO-PSA Terminal entered into a memorandum of understanding with Ocean Network Express on the development of a maritime and shipping industry that is environmentally responsible. The cooperation agreement, covering the enhancement of operational flow and terminal services to reduce carbon emissions, is committed to the sustainable development of the shipping industry, which will facilitate the discussion and implementation of emissions reduction plans by all parties along the industry chain.

PAVING THE WAY FOR 5G SMART PORTS

In recent years, the Company has been committed to the development of smart ports by constantly partnering with communication technology companies and technology suppliers. We actively apply new technologies to optimise logistics solutions of the supply chain. During the year, COSCO SHIPPING Ports entered into a letter of intent for cooperation with Dongfeng Commercial Vehicle Co., Ltd. and China Mobile (Shanghai) Information Communication Technology Co., Ltd., which represented another in-depth cooperation following the joint launch of the first 5G full-scenario application smart port in 2020, with the aim of advancing the construction of "5G+ Smart Port". As an effort to enhance the automation and operational efficiency of terminals, the Company will continue to drive the technology application of smart ports, and strengthen the capability of supply chain coordination and resource allocation in our business operations.



CHAPTER 11

INVESTING IN COMMUNITIES





The Group actively undertakes corporate social responsibility, and leverages on the resources and technological advancements of the global shipping network, to provide assistance to various communities and groups in aspects such as education and environmental protection. Meanwhile, we encourage our employees and terminal companies to actively participate in different public welfare affairs, contribute to the communities where we operate in, and promote community integration and construction, thus creating long-term value for all stakeholders.

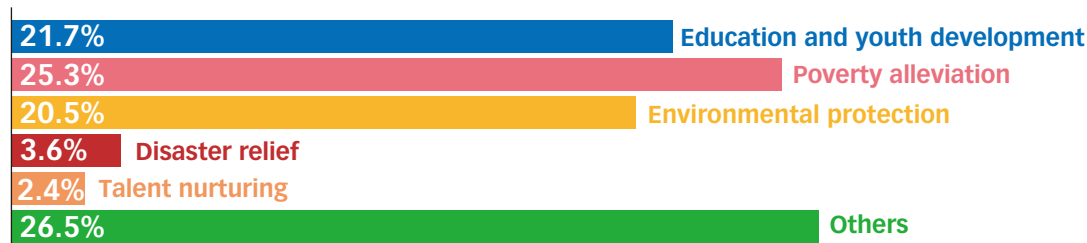
The Group's focus areas in Investing in Communities:

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

PERFORMANCE HIGHLIGHTS IN 2021



Categories of Community Services



The Company was awarded the "Caring Company" logo by the Hong Kong Council of Social Service for three consecutive years, affirming our ongoing efforts in community development, employee care and environmental protection.

MANAGEMENT APPROACH

The Group has always been concerned about the potential impacts of our operations on the local economy, environment and society. Hence, we spare no effort to fulfil our corporate social responsibility, and proactively participate in various community services to create value in local communities, thus building a harmonious and inclusive community. The Company encourages its terminal companies to maintain close communication with local communities, to understand their needs and implement corresponding action plans. In order to promote sustainable development of the society, terminal companies also actively expand their local community networks, and increase resources and talents as well as establish long-term partnerships with various community organisations to foster social development and develop sustainable communities.

DONATIONS

The Company makes different donations every year. During the year, Piraeus Terminal donated a total of EUR40,000 to two local charitable organisations in Athens, Greece, which, on one hand, would be used as financial support in terms of education and living for girls with lack of security due to family issues; and on the other hand, to provide assistance to the disabled due to congenital disability or traffic accidents. We provided funding to the charitable organisations for the purchase of electric wheelchairs and renovate community facilities, contributing to create a caring community of mutual assistance.



The donation ceremony took place on 8 October at Piraeus Terminal.

In addition, we partnered with companies including COSCO SHIPPING Energy Transportation Co., Ltd., and organised a charity sale activity named "A Little Wave", practicing the volunteer spirit of friendship and mutual assistance. We successfully raised a donation of RMB7,748, all of which had been used to promote public welfare undertakings.



Charity sale named "A Little Wave" was successfully held on 5 March.

SOCIAL INITIATIVES

Nantong Tonghai Terminal participated in designated poverty alleviation activities during the year, with approximately 320 employees raising an amount of RMB35,200 to purchase rice from Qingtang in Anhua County, Hunan, contributing to help local residents to be lifted out of poverty.

During the year, the volunteer team of Asia Container Terminal and COSCO-HIT Terminal continued to cooperate with the HIT Community Caring Group Volunteer Team and Yan Chai Hospital Fong Yock Yee Neighbourhood Elderly Centre to serve the elderly in Tsuen Wan, Hong Kong, and held a number of activities to celebrate major festivals with them, such as holding an activity named "Chinese New Year Visit". On Chinese New Year's Eve, the team took the initiative to call the elderly members of the Neighbourhood Elderly Centre and conducted home visits to understand their living conditions during the epidemic, and reported to the Neighbourhood Elderly Centre to provide appropriate support and take follow-up actions. In addition, the volunteer team made beautiful Chinese New Year decorations for the elderly by using colourful red packets, which were sent to their families by the Neighbourhood Elderly Centre on behalf of the team to add warmth during winter time and Chinese New Year atmosphere before the festival. In addition, despite the impact of the COVID-19 epidemic, the volunteer team continued to contact the elderly through the Internet during the Mid-Autumn Festival to send their wishes, and recall the customs and celebration of the Mid-Autumn Festival in various places together.



Volunteers from Asia Container Terminal and COSCO-HIT Terminal celebrated Chinese New Year and Mid-Autumn Festival with the elderly.

Dalian Container Terminal organised a charitable activity named "Ignite Hope with Clothes and Books" and donated 300 books to Temurtei Primary School in Inner Mongolia, and raised an amount of RMB7,300 used to donate various daily necessities to children with autism.

Kumport Terminal donated 7,500 TRY to Beylikduzu in Turkey as a grant to support local students to continue their studies and for their long-term development.

ENVIRONMENTAL PROTECTION AND EDUCATION

In order to improve employees' awareness to the environment and increase green areas of the community, Xiamen Ocean Gate Terminal held a tree planting activity to encourage the management team and employees to jointly plant trees in the orchards of the terminal company. CSP Wuhan Terminal actively participated in a tree-planting activity organised by the local government, where their staff planted trees and interacted with hundreds of participants from the government authorities and enterprises in the Xinzhou District. In addition, the staff of Asia Container Terminal and COSCO-HIT Terminal proactively participated in the planting of tree seedlings in the plantation area of Sai Kung West Country Park, Hong Kong, with the aim of improving ecological environment and fulfilling our corporate responsibility in community greening.



The employees of CSP Wuhan Terminal joined a tree-planting activity.



Asia Container Terminal and COSCO-HIT Terminal participated in the plantation of tree seedlings in the plantation area of Sai Kung West Country Park on 26 June.

Lianyungang New Oriental Terminal organised employees and their families to participate in an activity named "Viewing Environmental Protection with Green Eyes" in Lianyungang, and visited Chengnan Sewage Treatment Plant of Gangcheng Water Company under Lianyungang Urban Construction Holding Group, and Dabu Sewage Treatment Plant of Everbright Water (Lianyungang) Limited. The activity helped raise participants' awareness on environmental pollution issues.



Employees from Lianyungang New Oriental Terminal, together with their families, participated in "Viewing Environmental Protection with Green Eyes".



CHAPTER 12

APPENDICES

KEY PERFORMANCE INDICATORS

WORKFORCE STATISTICS

Workforce Statistics		Total			Non-controlling Terminals ¹³			Subsidiaries ¹³			The Company		
		2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Total Workforce													
Employees	No. of people	10,419	10,315	10,432	6,723	6,698	6,190	3,350	3,286	3,921	346	331	321
Supervised Employees	No. of people	5,282	4,469	4,539	2,921	2,517	1,812	2,360	1,952	2,727	1	0	0
Self-employed	No. of people	2,460	1,355	1,348	1,662	663	0	798	692	1,348	0	0	0
Employee Composition													
By employment type													
Full-time	No. of people	10,414	10,312	10,429	6,721	6,696	6,190	3,347	3,285	3,918	346	331	321
Part-time	No. of people	5	3	3	2	2	0	3	1	3	0	0	0
By geographical location													
Hong Kong	%	4.5	4.6	4.7	5.4	5.5	6.4	0.2	0.0	0.0	28.0	30.2	29.6
China (ex-Hong Kong)	%	79.4	79.0	78.9	82.6	82.2	80.0	74.8	74.2	78.6	62.4	61.0	61.4
Overseas	%	16.1	16.4	16.4	12.0	12.2	13.6	25.0	25.8	21.3	9.5	8.8	9.0
By gender													
Male	%	87.8	87.9	87.8	89.5	89.2	88.7	85.9	86.7	87.5	73.7	74.3	74.1
Female	%	12.2	12.1	12.2	10.5	10.8	11.3	14.1	13.3	12.5	26.3	25.7	25.9
By age group													
Aged below 30	%	16.2	14.4	17.5	14.4	12.6	17.0	20.2	18.4	19.3	13.9	10.9	7.5
Aged 30-50	%	67.6	73.3	71.8	70.8	87.4	72.6	62.2	69.3	70.7	58.4	65.9	67.6
Aged above 50	%	16.1	12.3	10.7	14.8	11.8	10.4	17.6	12.4	10.0	27.7	23.3	24.9
By employee category													
Managerial position	%	0.9	0.9	1.6	0.8	0.9	2.3	1.1	0.8	0.5	1.7	1.8	1.9
Supervisory position	%	7.0	6.2	6.3	6.5	5.9	7.1	4.6	3.0	1.8	39.6	44.7	45.8
General position	%	92.1	92.9	92.1	92.7	93.2	90.6	94.3	96.2	97.7	58.7	53.5	52.3
Employee Turnover													
	No. of people	336	355	499	229	252	316	102	93	171	5	10	12
	Turnover rate (%) ¹⁴	3.2	3.4	4.8	3.4	3.8	5.1	3.0	2.8	4.4	1.4	3.0	3.7
By geographical location													
Hong Kong	No. of people	22	38	50	18	35	42	0	0	0	4	3	8
China (ex-Hong Kong)	No. of people	194	221	329	125	152	213	68	62	112	1	7	4
Overseas	No. of people	120	96	120	86	65	61	34	31	59	0	0	0
Hong Kong	%	4.7	8.1	10.2	4.9	9.5	10.6	0.0	0.0	0.0	4.1	3.0	8.4
China (ex-Hong Kong)	%	2.3	2.7	4.0	2.3	2.8	4.3	2.7	2.5	3.6	0.5	3.5	2.0
Overseas	%	7.2	5.7	7.0	10.7	7.9	7.3	4.1	3.7	7.0	0.0	0.0	0.0
By gender													
Male	No. of people	297	297	418	203	213	258	92	77	154	2	7	6
Female	No. of people	39	58	81	26	39	58	10	16	17	3	3	6
Male	%	3.2	3.3	4.6	3.4	3.6	4.7	3.2	2.7	4.5	0.8	2.8	2.5
Female	%	3.1	4.7	6.4	3.7	5.4	8.3	2.1	3.7	3.5	3.3	3.5	7.2
By age group													
Aged below 30	No. of people	113	73	127	74	50	77	38	23	49	1	0	1
Aged 30-50	No. of people	194	171	242	136	122	136	54	45	100	4	4	6
Aged above 50	No. of people	29	111	130	19	80	103	10	25	22	0	6	5
Aged below 30	%	6.7	4.9	6.9	7.6	5.9	7.3	5.6	3.8	6.5	2.1	0.0	4.2
Aged 30-50	%	2.8	2.3	3.2	2.9	2.4	3.0	2.6	2.0	3.6	2.0	1.8	2.8
Aged above 50	%	1.7	8.7	11.7	1.9	10.1	16.0	1.7	6.2	5.6	0.0	7.8	6.3

¹³ Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal started to report workforce statistics separately in 2020, leading to significant change in employee number between the Subsidiaries and the Non-controlling Terminals.

¹⁴ 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 death during employment) divided by the total number of employees during the reporting year.

Workforce Statistics		Total			Non-controlling Terminals			Subsidiaries			The Company		
		2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
New Hires													
	No. of people	460	255	502	231	110	160	214	122	310	15	23	32
	Rate of new hires (%) ¹⁵	4.4	2.5	4.8	3.4	1.6	2.6	6.4	3.7	7.9	4.3	6.9	10.0
By geographical location													
Hong Kong	No. of people	30	18	43	29	8	28	0	0	0	1	10	15
China (ex-Hong Kong)	No. of people	291	154	209	128	62	77	149	79	115	14	13	17
Overseas	No. of people	139	83	250	74	40	55	65	43	195	0	0	0
Hong Kong	%	6.4	3.8	8.8	7.9	2.2	7.1	0.0	0.0	0.0	1.0	10.0	15.8
China (ex-Hong Kong)	%	3.5	1.9	2.5	2.3	1.1	1.6	5.9	3.2	3.7	6.5	6.4	8.6
Overseas	%	8.3	4.9	14.7	9.2	4.9	6.5	7.8	5.1	23.3	0.0	0.0	0.0
By gender													
Male	No. of people	371	200	438	196	87	135	167	96	281	8	17	22
Female	No. of people	89	55	64	35	23	25	47	26	29	7	6	10
Male	%	4.1	2.2	4.8	3.3	1.5	2.5	5.8	3.4	8.2	3.1	6.9	9.2
Female	%	7.0	4.4	5.0	5.0	3.2	3.6	10.0	5.9	5.9	7.7	7.1	12.0
By age group													
Aged below 30	No. of people	297	144	231	137	54	100	150	78	120	10	12	11
Aged 30-50	No. of people	148	101	258	83	48	53	61	42	187	4	11	18
Aged above 50	No. of people	15	10	13	11	8	7	3	2	3	1	0	3
Aged below 30	%	17.5	9.7	12.6	14.1	6.4	9.5	22.2	12.9	15.9	20.8	33.3	45.8
Aged 30-50	%	2.1	1.3	3.4	1.7	0.9	1.2	2.9	1.8	6.7	2.0	5.0	8.3
Aged above 50	%	0.9	0.8	1.2	1.1	1.0	1.1	0.5	0.5	0.8	1.0	0.0	3.8

¹⁵ The rate of new hires was calculated by: the total number of new employees divided by the total number of employees.

Workforce Statistics		2021			
		Total	Non-controlling Terminals	Subsidiaries	The Company
Collective Bargaining Agreements					
Employees from 11 terminals of the Group were covered by collective bargaining agreements ¹⁶ . Some terminal companies 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 terminal companies specify notice period and provisions for consultation and negotiation in collective agreements.					
The percentage covered and information of respective terminals are as follows:					
100% of the employees were covered by collective bargaining agreements	No. of terminal companies	11	5	6	N/A
Board Composition					
By gender					
Male	No. of people		N/A		10
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		3
Aged above 50	No. of people		N/A		8

16 In addition, employees of CSP Zeebrugge Terminal and Yantian Terminals were also covered by collective bargaining agreements, and the percentage of employees covered were 54% and 98%, respectively.

Workforce Statistics ^{17,18}		The Company		
		2021	2020	2019
Staff Training				
	Percentage of employees received training	44.8	N/A	N/A
	Total number of employees received training	155	590	370
	Total training hours	7,623	8,673	14,476
	Average training hours	22	26	39
By gender				
Male	Percentage of employees received training	32.9	N/A	N/A
Female	Percentage of employees received training	78.0	N/A	N/A
Male	Total number of employees received training	84	438	274
Female	Total number of employees received training	71	152	96
Male	Average training hours	18	26	39
Female	Average training hours	33	26	39
By employee category				
Managerial position	Percentage of employees received training	66.7	N/A	N/A
Supervisory position	Percentage of employees received training	22.6	N/A	N/A
General position	Percentage of employees received training	59.1	N/A	N/A
Managerial position	Total number of employees received training	4	11	6
Supervisory position	Total number of employees received training	31	264	170
General position	Total number of employees received training	120	315	194
Managerial position	Average training hours	125	26	45
Supervisory position	Average training hours	11	26	39
General position	Average training hours	27	26	39

17 Statistics of staff training in 2019 and 2020 are calculated based on the total number of participants in each training, hence, the percentage of employees received training was not available for disclosure.

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

Workforce Statistics		Total			Non-controlling Terminals			Subsidiaries			The Company		
		2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Occupational Health and Safety													
Work-related injuries and work-related ill health													
Fatalities	No. of people	1	0	0	1	0	0	0	0	0	0	0	0
High-consequence work-related injuries ¹⁹	No. of cases	0	1	1	0	0	0	0	1	1	0	0	0
Recordable work-related injuries ²⁰	No. of cases	62	64	59	33	30	40	29	34	19	0	0	0
Rate of fatalities ²¹	Per 200,000 hours worked	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate of high-consequence work-related injuries ²²	Per 200,000 hours worked	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.03	0.03	0.00	0.00	0.00
Rate of recordable work-related injuries ²³	Per 200,000 hours worked	0.58	0.46	0.66	0.45	0.43	0.79	0.88	1.08	0.51	0.00	0.00	0.00
Work-related ill health ²⁴	No. of cases	0	7	26	0	0	20	0	7	6	0	0	0
Lost days and absentees													
Lost days due to work-related injuries ²⁵	No. of days	1,201	1,825	1,957	502	569	911	699	1,256	1,046	0	0	0
Absentees ²⁶	No. of days	18,719	17,406	16,930	6,522	7,225	9,228	12,010	9,821	7,327	187	360	376
Lost day rate ²⁷	%	0.05	0.05	0.08	0.03	0.03	0.06	0.09	0.15	0.11	0.00	0.00	0.00
Absentee rate ²⁸	%	0.70	0.51	0.65	0.36	0.42	0.60	1.48	1.20	0.75	0.74	0.48	0.47

19 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.

20 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.

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

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

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

24 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.

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

26 Absentees refer to an employee absents 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.

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

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

ENVIRONMENTAL PERFORMANCE²⁹

Environmental Performance		Total			Non-controlling Terminals			Subsidiaries			The Company		
		2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Direct Energy Consumption³⁰													
Diesel	Litre	84,822,636	76,178,299	74,441,466	53,207,673	44,434,635	34,968,332	31,614,963	31,743,665	39,473,134	0	0	0
Gasoline	Litre	1,094,696	597,858	726,817	921,512	442,424	601,653	160,118	144,054	107,200	13,066	11,380	17,964
Liquefied petroleum gas (LPG)	Litre	100,300	177,740	140,564	33,887	132,489	135,492	66,413	45,251	5,072	0	0	0
Liquefied natural gas (LNG)	Litre	9,650,634	13,670,733	17,129,551	9,650,634	13,670,733	17,129,551	0	0	0	0	0	0
Natural gas	m ³	450,549	372,410	417,234	439,656	366,355	417,234	10,893	6,055	0	0	0	0
Indirect Energy Consumption													
Purchased electricity	kWh	605,511,077	576,429,121	547,035,996	385,752,018	366,159,362	324,648,170	219,313,330	209,859,885	221,973,354	445,728	409,874	414,472
Purchased heating	MJ	6,086	5,867	6,562	6,086	5,867	6,562	0	0	0	0	0	0
Solar energy	kWh	303,357	43,440	N/A	0	0	N/A	303,357	43,440	N/A	0	0	N/A
Energy Use³¹													
Direct energy use	TJ	3,504	3,247	3,281	2,286	2,026	1,765	1,217	1,220	1,515	0	0	1
Indirect energy use	TJ	2,180	2,075	1,969	1,389	1,318	1,169	790	756	799	2	1	1
Total energy use	TJ	5,684	5,322	5,250	3,675	3,345	2,934	2,007	1,976	2,314	2	2	2
Energy consumption intensity	GJ per TEU	0.081	0.076	0.075	0.078	0.070	0.073	0.086	0.088	0.078	N/A	N/A	N/A
	GJ per m ²	0.33	0.30	0.34	N/A	N/A	N/A	N/A	N/A	N/A	0.33	0.30	0.34
GHG Emissions³²													
GHG emissions (scope 1)	Tonnes of CO ₂ e	245,656	219,941	221,031	159,386	136,383	116,549	86,236	83,528	104,438	34	30	44
GHG emissions (scope 2)	Tonnes of CO ₂ e	390,364	398,664	409,555	262,200	272,511	245,597	127,837	125,828	163,630	328	326	328
Total GHG emissions	Tonnes of CO ₂ e	636,021	618,605	630,586	421,586	408,894	362,146	214,073	209,356	268,068	362	356	372
GHG emissions intensity	kg of CO ₂ e per TEU	9.03	8.81	9.02	8.91	8.55	9.04	9.24	9.36	8.99	N/A	N/A	N/A
	kg of CO ₂ e per m ²	57.83	56.85	59.40	N/A	N/A	N/A	N/A	N/A	N/A	57.83	56.85	59.40

²⁹ Environmental data are rounded off for reporting, thus leading to differences on summation.

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

³¹ The energy consumption for different fuel types was calculated based on gross calorific values, density or conversion factors stated in 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: 1kWh = 0.0036 GJ.

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

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

Environmental Performance		Total			Non-controlling Terminals			Subsidiaries			The Company		
		2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Total Water Consumption³³	m ³	2,604,763	2,613,978 ³⁴	2,738,852	1,612,398	1,591,201 ³⁴	1,376,647	990,923	1,021,807 ³⁴	1,360,980	1,441	969	1,225
Municipal water supply	m ³	2,573,048	2,587,881	2,708,007	1,608,187	1,579,258 ³⁴	1,362,984	963,430	1,007,654 ³⁴	1,343,808	1,431	969	1,215
Groundwater	m ³	156	146 ³⁴	184	156	146 ³⁴	184	0	0	0	0	0	0
Wastewater from other organisations	m ³	3,650	11,385	13,159	3,650	11,385	13,159	0	0	0	0	0	0
Other water utilities	m ³	27,909	14,566	17,502	405	413	320	27,494	14,153	17,172	10	0	10
Water consumption intensity	m ³ per TEU	0.04	0.04	0.04	0.03	0.03	0.03	0.04	0.05 ³⁴	0.05	N/A	N/A	N/A
	m ³ per m ²	0.23	0.23 ³⁴	0.20	N/A	N/A	N/A	N/A	N/A	N/A	0.23	0.23	0.20
Materials used³⁵													
Engine oil and hydraulic oil	kg	898,988	809,979 ³⁴	739,319	380,313	305,639 ³⁴	310,290	518,675	504,341	429,029	N/A	N/A	N/A
Grease	kg	105,559	113,966 ³⁴	101,184	50,947	56,037 ³⁴	38,365	54,613	58,929	62,819	N/A	N/A	N/A
Tyres	kg	1,342,971	1,316,865 ³⁴	1,270,376	775,395	718,532 ³⁴	375,695	567,576	598,333	894,681	N/A	N/A	N/A
Paper	kg	57,069	72,806	48,525	36,269	53,238	32,353	19,199	17,606	14,299	1,601	1,962	1,873
Waste generation													
Solid chemical waste	kg	4,825,247	3,751,787 ³⁴	3,639,547	2,324,812	1,924,860 ³⁴	1,496,016	2,500,435	1,826,927	2,143,531	N/A	N/A	N/A
Waste oil contaminated rag	kg	230,884	215,487	218,097	191,330	171,269	185,505	39,554	44,218	32,592	N/A	N/A	N/A
Waste wire rope	kg	2,118,701	950,854 ³⁴	1,705,656	1,564,811	390,612 ³⁴	1,095,210	553,890	560,242	610,446	N/A	N/A	N/A
Scrap metal	kg	2,380,603	2,501,285 ³⁴	1,631,764	525,066	1,388,078 ³⁴	196,399	1,855,537	1,163,207	1,435,365	N/A	N/A	N/A
Waste oil drum	kg	36,728	27,779 ³⁴	41,293	16,098	5,097 ³⁴	6,201	20,630	22,682	35,092	N/A	N/A	N/A
Waste paint bucket	kg	24,910	2,481	8,390	18,057	424	841	6,853	2,057	7,549	N/A	N/A	N/A
Waste oil sludge	kg	33,421	53,901 ³⁴	34,347	9,450	19,380 ³⁴	11,860	23,971	34,521	22,487	N/A	N/A	N/A
Liquid chemical waste	kg	559,002	485,585 ³⁴	455,738	288,243	218,365 ³⁴	235,341	270,759	267,220	220,277	N/A	N/A	N/A
Waste lead acid battery	kg	45,449	25,872 ³⁴	36,689	10,763	15,410 ³⁴	12,149	34,686	10,462	24,420	N/A	N/A	N/A
Waste oil	kg	513,553	459,713 ³⁴	419,049	277,480	202,955 ³⁴	223,192	236,073	256,758	195,857	N/A	N/A	N/A
Other hazardous waste ³⁶	kg	207,951	292,293	28,531	32,338	23,832	28,531	175,493	268,341	N/A	120	120	120
Wooden pallets	kg	290,837	157,170	143,600	225,964	109,000	143,600	64,873	48,170	N/A	N/A	N/A	N/A
Wastewater	m ³	834,336	1,146,216 ³⁴	989,880	485,996	878,440 ³⁴	694,649	348,339	267,776	295,231	N/A	N/A	N/A
Other non-hazardous waste ³⁷	kg	1,180,944	1,069,099 ³⁴	1,334,372	714,652	626,080 ³⁴	552,200	466,292	443,019	782,112	0	0	60
Waste recycling^{38, 39}													
Solid chemical waste	kg	2,602,230	105,469	530,472	1,603,747	85,460	87,280	998,483	19,949	443,192	N/A	N/A	N/A
Liquid chemical waste	kg	341,030	166,744	462,985	208,019	152,140	161,851	133,011	14,604	301,134	N/A	N/A	N/A
Other hazardous waste	kg	80,152	429	78,945	13,980	0	2,080	66,112	369	76,865	60	60	N/A
Wooden pallets	kg	226,425	196,720	214,695	169,680	152,810	193,240	56,745	43,910	21,455	N/A	N/A	N/A
Tyres ⁴⁰	kg	679,046	693,778 ³⁴	487,124	329,534	361,700 ³⁴	136,858	349,512	332,078	350,256	N/A	N/A	N/A
Paper	kg	38,679	46,041	27,222	16,448	42,297	20,758	21,081	3,144	6,074	1,150	600	390
IT equipment	kg	10,616	6,579	3,330	3,673	3,999	1,647	6,943	2,580	1,683	N/A	N/A	N/A
Other waste	kg	285,539	8,820	129,500	157,080	500	440	128,459	8,320	129,000	0	60	60

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

34 The figures were restated after data review.

35 Tyre consumption was measured in pieces. When calculating the total tyre consumption, for tyres weighed 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 weighed more than 100 kg, 150 kg was used for calculation.

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

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

38 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.

39 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.

40 Tyre recycled was measured in pieces. When calculating the total tyre recycled, for tyres weighed 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 weighed more than 100 kg, 150 kg was used for calculation.

GRI CONTENT INDEX

GRI Indicator and Description		References or Remarks
GRI 102: General Disclosures (2016)		
Organisational Profile		
102-1	Name of the organisation	<ul style="list-style-type: none"> Chapter 1 – About this Report (pages 2-4)
102-2	Primary activities, brands, products, and services	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Corporate Overview (page 12)
102-3	Location of headquarters	The Group's headquarters is located in Hong Kong.
102-4	Location of operations	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Global Terminal Network (pages 14-17)
102-5	Nature of ownership and legal form	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Corporate Overview (page 12)
102-6	Markets served	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Global Terminal Network (pages 14-17)
102-7	Scale of the organisation	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Corporate Overview and Global Terminal Network (pages 12, 14-17) Chapter 7 – Caring for Our People – Performance Highlights in 2021 (page 36)
102-8	Information on employees and other workers	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Performance Highlights in 2021 (page 36) Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
102-9	Description of supply chain	<ul style="list-style-type: none"> Chapter 10 – Win-win Cooperation – Performance Highlights in 2021 and Cooperation with Contractors (pages 74, 77)
102-10	Significant changes to the organisation and its supply chain during the reporting period	No significant change
102-11	Precautionary approach or principle	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Corporate Governance (pages 23-25)
102-12	External rules, principles or other initiatives	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Awards and Honours (pages 19-21)
102-13	Memberships of associations and advocacy organisations	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Membership and Charters (page 22)
Strategy and Analysis		
102-14	Statement from the most senior decision-maker of the organisation	<ul style="list-style-type: none"> Chapter 2 – Board Statement (page 5) Chapter 3 – Chairman's Message (pages 6-7)
102-16	Values, principles, standards, and norms of behaviour of the organisation	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Corporate Overview, Corporate Vision and Our Approach to Sustainability (pages 12-13, 18)

GRI Indicator and Description		References or Remarks
GRI 102: General Disclosures (2016)		
Governance		
102-18	Governance structure of the organisation	<ul style="list-style-type: none"> 2021 Annual Report – Corporate Governance Report Chapter 5 – About COSCO SHIPPING Ports – Corporate Governance (pages 23-25)
Stakeholder Engagement		
102-40	List of stakeholders engaged	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Materiality Assessment (pages 26-33)
102-41	Percentage of the employees covered by collective bargaining agreements	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Materiality Assessment (pages 26-33)
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Materiality Assessment (pages 26-33)
102-44	Key topics and concerns raised by stakeholders and the organisation's response	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Materiality Assessment – Our Responses to Stakeholders (pages 29-32)
Material Topics and Boundaries Identified		
102-45	Entities included in the consolidated financial statements but not covered in this report	<ul style="list-style-type: none"> Chapter 1 – About this Report – Reporting Scope (page 4) Chapter 5 – About COSCO SHIPPING Ports – Global Terminal Network (pages 14-17)
102-46	Process for defining report content and topic boundaries	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Materiality Assessment – Materiality Assessment (page 33) Chapter 12 – Appendices – Boundary Mapping of Material Topics (page 110)
102-47	Material topics identified in the process of defining report content	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Materiality Assessment – Materiality Assessment (page 33)
102-48	Results for restatements of any information provided in previous reports	Restatement of figures is indicated in footnotes.
102-49	Significant changes in the scope and topic boundaries compared with previous reporting period	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Materiality Assessment – Materiality Assessment (page 33) Chapter 12 – Appendices – Boundary Mapping of Material Topics (page 110)

GRI Indicator and Description		References or Remarks
GRI 102: General Disclosures (2016)		
Report Profile		
102-50	Reporting period	<ul style="list-style-type: none"> Chapter 1 – About this Report – Reporting Scope (page 4)
102-51	Date of most recent report	The most recent report was published in April 2021.
102-52	Reporting cycle	Annually
102-53	Contact point for feedback of the report	<ul style="list-style-type: none"> Chapter 1 – About this Report – Feedback and Comment (page 4)
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> Chapter 1 – About this Report – Reporting Standard (page 3)
102-55	GRI content index	<ul style="list-style-type: none"> Chapter 12 – Appendices – GRI Content Index (pages 98-103)
102-56	External assurance sought for the report by the organisation	<ul style="list-style-type: none"> Chapter 12 – Appendices – Verification Statement (page 111)
GRI 201: Economic Performance (2016)		
103	Management approach	<ul style="list-style-type: none"> 2021 Annual Report – Operational Review
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> 2021 Annual Report – Financial Review Chapter 5 – About COSCO SHIPPING Ports – Corporate Overview (page 12)
GRI 205: Anti-Corruption (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Corporate Governance – Anti-corruption (page 25)
205-3	Confirmed incidents of corruption and actions taken	During the year, there were no cases of corruption.
GRI 302: Energy (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 9 – Green Development – Management Approach (pages 59-60)
302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> Chapter 9 – Green Development – Energy Saving and Emissions Reduction (pages 60-63) Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
GRI 303: Water and Effluents (2018)		
103	Management approach	<ul style="list-style-type: none"> Chapter 9 – Green Development – Management Approach (pages 59-60)
303-1	Interactions with water as a shared resource	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 9 – Green Development – Proper Management of Resources – Water Resource and Sewage Management (page 64)
303-4	Water discharge	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
303-5	Water consumption	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)

GRI Indicator and Description		References or Remarks
GRI 305: Emissions (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 9 – Green Development – Management Approach (pages 59-60)
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
305-2	Indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> Chapter 9 – Green Development – Performance Highlights in 2021 and Energy Saving and Emissions Reduction (pages 58-63)
GRI 306: Waste (2020)		
103	Management approach	<ul style="list-style-type: none"> Chapter 9 – Green Development – Management Approach (pages 59-60)
306-1	Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> Chapter 9 – Green Development – Proper Management of Resources – Waste Management (pages 65-66)
306-2	Management of significant waste-related impacts	<ul style="list-style-type: none"> Chapter 9 – Green Development – Proper Management of Resources – Waste Management (pages 65-66)
306-3	Waste generated	<ul style="list-style-type: none"> Chapter 9 – Green Development – Proper Management of Resources – Waste Management (pages 65-66) Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
GRI 307: Environmental Compliance (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 9 – Green Development – Management Approach (pages 59-60)
307-1	Non-compliance with environmental laws and regulations	During the year, the Group did not violate any laws and regulations regarding environmental protection.
GRI 308: Supplier Environmental Assessment (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 10 – Win-win Cooperation – Management Approach (page 75)
308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> Chapter 10 – Win-win Cooperation – Responsible Procurement (pages 75-76)
GRI 401: Employment (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach (page 37)
401-1	Total number and rates of new hires and employee turnover by age group, gender, and geographical location	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)

GRI Indicator and Description		References or Remarks
GRI 402: Labour/Management Relations (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach (page 37)
402-1	Whether it is specified in collective agreements regarding the minimum notice periods of operational changes	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
GRI 403: Occupational Health and Safety (2018)		
403-1	Management system of occupational health and safety	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 40-41) Chapter 10 – Win-win Cooperation – Cooperation with Contractors (page 77)
403-2	Hazard identification, risk evaluation and incident investigation	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 40-41)
403-3	Occupational health services	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 40-41)
403-4	Occupational health and safety affairs: Workers' engagement, co-operation and communication	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 40-41)
403-5	Occupational health and safety trainings for workers	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 40-41)
403-6	Promotion of workers' health	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Improving Employees' Physical and Mental Health and Well-being (page 44)
403-7	Prevention and minimising the impact on occupational health and safety directly related to business relationship	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 40-41)
403-8	Workers covered by the occupational health and safety management system	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 40-41)
403-9	Work-related injuries	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
403-10	Work-related health problems	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)

GRI Indicator and Description		References or Remarks
GRI 405: Equal Opportunities (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach (page 37)
405-1	Composition of the management of the Company and breakdown of employees by indicators of diversity	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
GRI 406: Non-Discrimination (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach (page 37)
406-1	Incidents of discrimination and corrective actions taken	During the year, there was no complaint or case regarding discrimination.
GRI 414: Supplier Social Assessment (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 10 – Win-win Cooperation – Responsible Procurement (pages 75-76)
414-1	Selecting new suppliers using social standard	<ul style="list-style-type: none"> Chapter 10 – Win-win Cooperation – Responsible Procurement (pages 75-76)
GRI 418: Customer Privacy (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 8 – Customers First – Management Approach (pages 48-49)
418-1	Complaints regarding breaches of customer privacy and losses of customer data	During the year, there was no complaint regarding loss of customer information.
GRI 419: Socioeconomic Compliance (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach (page 37) Chapter 8 – Customers First – Management Approach (pages 48-49)
419-1	Breaches of laws and regulations in respect of social and economic aspects	During the year, the Group did not violate any laws and regulations in the social and economic aspects.

THE ESG REPORTING GUIDE OF THE SEHK

A. Environmental		References or Remarks
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	<ul style="list-style-type: none"> Chapter 9 – Green Development (pages 56-71)
KPI A1.1	The types of emissions and respective emissions data.	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
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 – Green Development – Performance Highlights in 2021 and Energy Saving and Emissions Reduction (pages 58-63) Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
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 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
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 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> Chapter 9 – Green Development – Performance Highlights in 2021, Management Approach and Energy Saving and Emissions Reduction (pages 58-63)
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 – Green Development – Management Approach and Proper Management of Resources (pages 59-60, 64-66)


A. Environmental		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 – Green Development (pages 56-71)
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
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 12 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-97)
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 – Green Development – Energy Saving and Emissions Reduction (pages 60-63)
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> Chapter 9 – Green Development – Proper Management of Resources (pages 64-66)
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations do not involve the use of packaging materials for finished products.
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 9 – Green Development (pages 56-71)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<ul style="list-style-type: none"> Chapter 9 – Green Development (pages 56-71)
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 – Green Development (pages 56-71)
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 – Green Development – Response to Climate Change (pages 66-70)

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 7 – Caring for Our People (pages 34-45)
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 7 – Caring for Our People – Performance Highlights in 2021 (page 36) Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
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 7 – Caring for Our People – Management Approach and Occupational Safety and Health (pages 37, 39-44)
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 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B2.2	Lost days due to work injury.	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach and Occupational Safety and Health (pages 37, 39-44)
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 7 – Caring for Our People – Management Approach and Talent Training (pages 37, 45)
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 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B3.2	The average training hours completed per employee by gender and employee category.	<ul style="list-style-type: none"> Chapter 12 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)

B. Social		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 7 – Caring for Our People – Management Approach (page 37)
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach (page 37)
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	<ul style="list-style-type: none"> Chapter 7 – Caring for Our People – Management Approach (page 37)
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 10 – Win-win Cooperation (pages 72-79)
KPI B5.1	Number of suppliers by geographical region.	<ul style="list-style-type: none"> Chapter 10 – Win-win Cooperation – Performance Highlights in 2021 (page 74)
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 10 – Win-win Cooperation – Management Approach and Responsible Procurement (pages 75-76)
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 10 – Win-win Cooperation – Management Approach and Responsible Procurement (pages 75-76)
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 10 – Win-win Cooperation – Management Approach and Responsible Procurement (pages 75-76)
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 8 – Customers First (pages 46-55)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group does not have any products which are recallable due to safety and health concerns.

B. Social		References or Remarks
Aspect B6: Product Responsibility		
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	<ul style="list-style-type: none"> Chapter 8 – Customers First – Strengthening External Communications (page 53)
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Although intellectual property rights are not a major material issue to the Group, the Group complies with related laws and regulations on intellectual property rights.
KPI B6.4	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> Chapter 8 – Customers First – Management Approach (pages 48-49)
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 – Customers First – Management Approach and Information Security (pages 48-49, 54)
Aspect B7: Anti-corruption		
General Disclosure	Information on: <ul style="list-style-type: none"> (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 5 – About COSCO SHIPPING Ports – Corporate Governance – Anti-corruption (page 25) 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.	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 5 – About COSCO SHIPPING Ports – Corporate Governance – Anti-corruption (page 25)
KPI B7.3	Description of anti-corruption training provided to directors and staff.	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – Corporate Governance – Anti-corruption (page 25)
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 11 – Investing in Communities (pages 80-85)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<ul style="list-style-type: none"> Chapter 11 – Investing in Communities (pages 80-85)
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<ul style="list-style-type: none"> Chapter 11 – Investing in Communities (pages 80-85)

RELEVANT INITIATIVES ALIGNED WITH THE UNITED NATIONS SDGs

SDGs	The Group's Strategies and Initiatives	
	Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<p>The Group emphasises on talent nurturing. We offer quality education and learning opportunities to employees and the communities based on their needs.</p> <p>Progress of relevant work is set out in:</p> <ul style="list-style-type: none"> Chapter 7 – Caring for Our People Chapter 11 – Investing in Communities
	Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<p>The Group grasps the opportunities arising from globalisation, proactively seeks opportunities to invest in excellent projects and expands the industry supply chain. Leveraging on the research and development capability to enhance operational and management efficiency, we strive to achieve sustainable development and promote economic growth.</p> <p>Promoting diversity and equality is the Group's principal in managing human resources. We offer our employees with competitive remuneration, trainings and promotion opportunities, creating a healthy and safe workplace to empower all our employees and allow them to thrive together with the Group.</p> <p>Progress of relevant work is set out in:</p> <ul style="list-style-type: none"> Chapter 7 – Caring for Our People Chapter 10 – Win-win Cooperation
	Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	<p>Building 5G smart ports is one of our Group's focus area. We adopt innovative technology to realise efficient and sustainable infrastructure and operations, while fostering green and low carbon development. We aim to achieve "dual efficiencies" in both financial performance and environmental protection.</p> <p>Progress of relevant work is set out in:</p> <ul style="list-style-type: none"> Chapter 8 – Customers First Chapter 9 – Green Development
	Climate Action Take urgent action to combat climate change and its impact	<p>With the aim of achieving carbon neutrality, the Group integrates the concept of green development into daily operations. We implement various measures to achieve low-carbon operations and proactively identify and enhance the management of climate-related risks to cope with the impact of climate change.</p> <p>Progress of the relevant work is set out in:</p> <ul style="list-style-type: none"> Chapter 9 – Green Development
	Partnerships for the Goals Strengthen the means of implementation and revitalise the global partnership for sustainable development	<p>The Group establishes long-term strategic partnership with our business partners to reinforce our leading position in the industry. Leveraging on our strong terminal and supply chain network, not only can we achieve synergy through cost reduction and efficient operations, but also drive the global industry chain to grow in the economic, environmental and social perspectives in a sustainable manner.</p> <p>Progress of the relevant work is set out in:</p> <ul style="list-style-type: none"> Chapter 8 – Customers First Chapter 10 – Win-win Cooperation Chapter 11 – Investing in Communities

BOUNDARY MAPPING OF MATERIAL TOPICS

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

Highly material topics	Scope of impact – Impact beyond the Group's operations					References
	Scope of impact – Impact within the Group's operations	Shareholders/Investors	Suppliers	Customers	Surrounding communities and environment	
Economic performance	✓	✓		✓		About COSCO SHIPPING Ports Customers First Green Development
Anti-corruption	✓	✓	✓	✓		About COSCO SHIPPING Ports
Risk management	✓	✓				About COSCO SHIPPING Ports
Employment	✓					Caring for Our People
Occupational health and safety	✓		✓			Caring for Our People
Diversity and equal opportunity	✓					Caring for Our People
Anti-discrimination	✓					Caring for Our People
Employee rights and interests	✓					Caring for Our People
Employee care	✓					Caring for Our People
Customer satisfaction	✓			✓		Customers First
Customer complaints	✓			✓		Customers First
Enhancement of globalisation strategy	✓	✓	✓	✓		Win-win Cooperation
Environmental compliance	✓	✓	✓	✓	✓	Green Development
Waste disposal	✓				✓	Green Development
Wastewater discharge management	✓				✓	Green Development
Energy management	✓				✓	Green Development
Climate change and response	✓	✓	✓	✓	✓	Green Development
Responsible procurement	✓		✓			Win-win Cooperation

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 2021 (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 2021 to 31st December 2021 for its operations within Hong Kong and outside Hong Kong.

The aim of this verification is to provide a reasonable assurance of the reliability of the reporting contents. The Report has been prepared in accordance with the Core Option of the Global Reporting Initiative Sustainability Reporting Standards (the "GRI Standards") and Appendix 27 "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 Core Option of the GRI Standards 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 Core Option of the GRI Standards 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 the terminal companies, and discloses transparently their sustainability performance that is commensurate with their sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

KT Ting
Director, Strategic Services Development
7 March 2022

REPORT SURVEY QUESTIONNAIRE

Thank you for your interest in COSCO SHIPPING Ports' 2021 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"/>
Sustainability Context	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transparency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design and layout	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comparability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accuracy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

ABBREVIATIONS

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

Company Name	Abbreviation
Nantong Tonghai Port Co., Ltd.	Nantong Tonghai Terminal
Ningbo Meishan Bonded Port New Harbour Terminal Operating Co., Ltd.	Ningbo Meishan Terminal
Ningbo Yuan Dong Terminals Limited	Ningbo Yuan Dong Terminal
Piraeus Container Terminal Single Member S.A.	Piraeus Terminal
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	Dongjiakou Ore Terminal
Qingdao Port International Co., Ltd.	QPI
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	Qinhuangdao New Harbour Terminal
Quan Zhou Pacific Container Terminal Co., Ltd.	Quan Zhou Pacific Terminal
Reefer Terminal S.p.A.	Vado Reefer Terminal
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
Wuhan CSP Terminal Co., Ltd.	CSP Wuhan Terminal
Xiamen Ocean Gate Container Terminal Co., Ltd.	Xiamen Ocean Gate Terminal
Yangzhou Yuanyang International Ports Co., Ltd.	Yangzhou Yuanyang Terminal
Yantian International Container Terminals 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
Vado Gateway S.P.A.	Vado Container Terminal
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	Zhangjiagang Terminal
Others	
Twenty-foot equivalent unit	TEU

COSCO SHIPPING Ports Limited

(Incorporated in Bermuda with limited liability)

49th Floor, COSCO Tower
183 Queen's Road Central, Hong Kong
Telephone : +852 2809 8188
Facsimile : +852 2907 6088
Email : ir.csp@coscoshipping.com
Website : <https://ports.coscoshipping.com>