





CORPORATE SUSTAINABLE DEVELOPMENT

SUSTAINABILITY APPROACH

Sustainable Development Goals of the United Nations		The Company's Five Key Areas of Sustainable Development	
   	<p>Governance</p> <p>Adhere to the principles of business ethics and operational compliance, maintain high standards of corporate governance and business integrity, and build mutual trust with stakeholders to achieve a win-win situation.</p>		
   	<p>Resilience</p> <p>Invest in building “green ports” to reduce carbon emissions in business operations and along the value chain to achieve carbon neutrality and strengthen climate resilience; select and manage suppliers and partners based on sustainability criteria to enhance corporate resilience.</p>		
 	<p>Agility</p> <p>Drive continuous improvement in the overall operational efficiency and provide customers with high-quality services by leveraging unique insights to implement digital and intelligent innovation, and promote the construction of smart ports.</p>		
 	<p>Nature</p> <p>Conserve and utilise natural resources responsibly and effectively, and mitigate the impacts on biodiversity.</p>		
   	<p>Dynamic</p> <p>Provide a safe, healthy, diverse and inclusive working environment, create a sustainable talent pipeline, and promote the development of local communities where we operate, thus creating shared value for all stakeholders.</p>		

2023 ESG PERFORMANCE HIGHLIGHTS

ESG Ratings

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

Environmental Targets for the Terminals in which the Group has Controlling Stakes^{Note}Greenhouse Gas (GHG)
Emissions

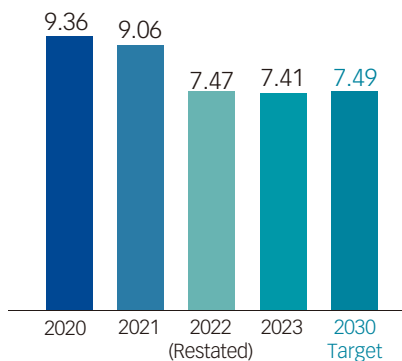
Long-term Commitment:

- To achieve carbon neutrality no later than 2060

Short-term Target:

- To reduce greenhouse gas (scope 1 and scope 2) emission intensity of the terminals by 20% in 2030, as compared with 2020

GHG EMISSION INTENSITY

(kg of CO₂e per TEU)

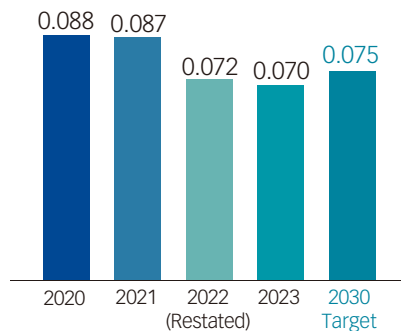
Energy Consumption

Short-term Target:

- To reduce energy consumption intensity of the terminals by 15% in 2030, as compared with 2020

ENERGY CONSUMPTION
INTENSITY

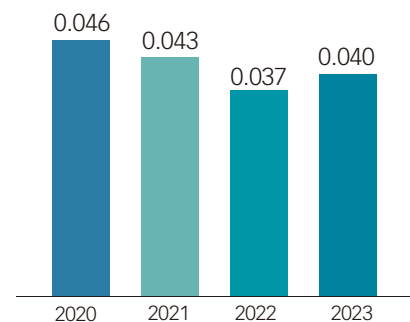
(GJ per TEU)



Water Consumption

Target:

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

WATER CONSUMPTION
INTENSITY(m³ per TEU)

Waste

Target for Hazardous Waste:

- To maintain 100% hazard-free disposal of waste

Target for Non-hazardous Waste:

- To reduce domestic waste by terminals and, in the long term, achieve the goal of zero waste sent to the landfill

Hazardous Waste Treatment in 2023:

- 100% of hazardous waste was handled by recycling companies or material suppliers with professional qualifications

Note: Of the 15 terminals in which the Company currently has a controlling stake, CSP Chancay Terminal in Peru is under construction, therefore its environmental performance was not included in the environmental performance of the terminals.

Corporate Sustainable Development

In 2023, the Company continued to deepen energy saving and emissions reduction, expedite the process to achieve carbon neutral and just transition, and make steady progress towards developing smart ports by expanding its sustainability approach based on five main areas covering Governance, Resilience, Agility, Nature and Dynamic, to support the green shipping value chain and create shared value for all stakeholders.

GOVERNANCE

The Company believes that maintaining good faith and mutual success, and upholding business ethics and compliance principles serve as the cornerstone for building a trustworthy and sustainable business model. The Company has been maintaining high standards of corporate governance and business integrity and fostering a probity culture by providing anti-corruption and sustainable development trainings to the Board and the management. The Company attaches great importance to information security and privacy protection with an aim to establish a safe environment in order to protect the information of the Company, its employees and its customers.

RESILIENCE

The Company continues to reduce carbon emission from its operations through various measures such as electrification of terminal equipment, increasing the use of electric driverless container vehicles, investing in renewable energy projects, and regenerating energy from port facilities in the terminals in which it has controlling stake, and proactively enhances its climate resilience by identifying and managing climate-related risks and opportunities. The Company adopts sustainable procurement principles and imposes stringent selection criteria for suppliers. The Company has published the Initiative to Promote the Use of Shore Power by Vessels at Berth to facilitate decarbonisation together with its customers, by working with its upstream and downstream stakeholders, the Company supports sustainable value chain.

AGILITY

Putting the philosophy of customers first into practice, the Company capitalises on the advantages of industrial digitalisation and intelligence to empower the construction of green and smart ports by integrating its insights into technological innovations to deliver high quality service to its customers. During the year, the Company has stepped up efforts in promoting the extensive use of driverless container vehicles with an annual handling volume of over 210,000 TEU. During the year, container vehicles fuelled by new energy and clean energy accounted for 46% in the terminals in which the Company has controlling stake in China.

NATURE

The Company is committed to saving and making effective and responsible use of natural resources by reducing the consumption of water resources and materials as far as possible during operation, promoting wastewater and waste recycling, and proactively participating in ecological and environmental protection activities to mitigate the impact on biodiversity.

DYNAMIC

Upholding the philosophy of diversity and inclusion in corporate development, the Company strives to make progress together with its employees and all stakeholders. The Company continues to enhance health and safety in order to achieve the target of "zero fatality", and offers diversified trainings and career opportunities to build a safe, healthy, caring and inclusive working environment, while at the same time develops a sustainable talent pipeline and supports just transition in the port industry. Mainly focusing on poverty alleviation and caring for the disadvantaged, education and youth development, as well as environmental protection, the Company makes continuous efforts in driving the development of the communities where it operates and creating shared value for all stakeholders.