

# Corporate Sustainable Development



## Employee-oriented Philosophy

During the year, the Group improved its employee performance appraisal system and incentive mechanism. Through active development of a variety of staff events and the launch of internal publications as well as an official WeChat account as a public platform, the Group has further strengthened engagement with its staff to create a diversified, inclusive and excellence-oriented corporate culture, conducive to the globalization and development of COSCO SHIPPING Ports' corporate brand.

In the course of business development and enhancement of operational performance, the Group takes sustainability as its core value and develops and optimises its sustainable development strategy to improve the performance of its terminals' operations and explore new business opportunities. With a commitment to sustainable development, the Group places the overall interests and long-term interests of the stakeholders as a top priority and works to contribute positively to the environment and community. This is particularly crucial in realising the strategic development vision of COSCO SHIPPING Ports. In 2017, with an open vision, steady pace and its professional team, COSCO SHIPPING Ports continued its efforts to build a global ports network with unique competitive advantages. It is hoped that by integrating resources, the Group will better capitalise on the scale and synergies to become "The Ports For ALL", where all parties jointly create, share and achieve win-win relationship.

The Group continuously explored, standardised and improved its management methods and measures in all aspects of corporate sustainable development. During the year, the Group fully integrated the elements of sustainable development into all aspects of the daily operations of ports and terminals.

## Optimise Terminal Portfolio and Operational Efficiency

The Group implemented a globalization strategy to expand its container terminal network globally. As of 31 December 2017, the Group operated and managed a total of 269 berths, in which 179 berths are container terminal berths, at 35 ports worldwide with a total annual handling capacity of 102,720,000 TEU. In addition, terminal automation was promoted in order to enhance overall operational efficiency and safety, and to provide quality and efficient services to customers at home and abroad. The Group has adopted a unified management and information system to promote the unification of information systems for terminals in which the Group has controlling stakes, so that the headquarters of the Company can examine the operation status of each of its terminals in real time and regularly quantify the business performance with unified performance indicators so as to enhance the enthusiasm of the terminal companies. Concurrently, the Group also introduced and applied innovative information technology to optimise the workflow and business operations of various departments through informational and electronic measures. It also provided customers with high-quality services while enhancing safety and overall operational efficiency.

## Commit to the Development of “Green Ports”

As a major global terminal operator, COSCO SHIPPING Ports is committed to environmental protection and hopes to play an active leadership role in promoting the development of green ports. During the year, the Group actively fulfilled its commitment to building “green ports” by formulating the “Regulations on Emissions Reduction” and issued the related energy-saving targets to its terminal companies. It also set up a special office for energy conservation and emission reduction to oversee and ensure the realisation of the relevant emissions reduction and energy-saving goals. During the year, the Group’s terminals gradually improved their environmental management system and made good progress on environmental protection measures through the use of emission-reduction technologies and better resources utilisation, which effectively reduced environmental impact and carbon footprint from their business operations.



## Win-Win Cooperation

In line with the vision of building a platform with mutual benefit, the Group has further centralised its supplier management system and promoted policy formulation, in order to fortify the effective management of sustainable development performance throughout the supply chains. In addition, terminal companies from various locations have lived up to their community care aspirations through taking action in areas such as promoting education, helping the poor, conducting talent training, so as to achieve joint growth and progress for the Group, the industry and the community.

During the year, COSCO SHIPPING Ports continuously promoted the awareness of sustainable development, further strengthened internal training, optimised data collection and report preparation, and improved reporting quality, especially in terms of content and scope of reporting, so as to enhance the effectiveness of sustainable development information disclosure. In addition, the Group invited a higher number of internal and external stakeholders to participate in the key evaluation survey, and a more scientific approach to fully understand their opinions on the Group’s sustainable development performance. Among the above, to better comprehend investors’ sustainable development concerns, the Group invited the top ten institutional shareholders to participate in the stakeholders’ communication. The Group also engaged a third party certification company to certify the Group’s sustainability report, thereby enhancing the recognition of the sustainability report.

More information on our sustainable development is available in our Sustainability Report 2017, which is published on the same day as this report.