

# CORPORATE SUSTAINABLE DEVELOPMENT

## SUSTAINABILITY APPROACH

### Sustainable Development Goals of the United Nations

### The Company's Five Key Areas of Sustainable Development



#### Governance

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



#### Resilience

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



#### Agility

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



#### Nature

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



#### Dynamic

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

## 2024 ESG PERFORMANCE HIGHLIGHTS

### Major ESG Indices and Ratings



Remained a constituent of the FTSE4Good Index Series



Hang Seng Corporate Sustainability Index Series Member 2024-2025

Rated as A+ and remained a constituent of Hang Seng Corporate Sustainability Benchmark Index



Rated as “Low Risk”



Rate as A-

## Corporate Sustainable Development

ENVIRONMENTAL TARGETS<sup>1</sup>

The Company is actively advancing the digitalisation and green low-carbon transformation of the ports, achieving remarkable progress in carbon reduction and surpassing its originally planned mid-term goals ahead of schedule. During the year, the Company has revised more ambitious emission-reduction and energy-saving targets as follow:

## Scope 1 and 2 Greenhouse Gas (GHG) Emissions

**Long-term Target:**

- To achieve carbon neutrality no later than 2050

**Medium-term Target:**

- To reduce Scope 1 and 2 GHG emission intensity by 55% in 2035 against baseline year 2020

**2024 Progress:**

- Scope 1 and 2 GHG emission intensity decreased 35.3% against 2020

## Energy Consumption

**Medium-term Target:**

- To reduce energy consumption intensity by 45% in 2035 against baseline year 2020

**2024 Progress:**

- Energy consumption intensity decreased 29.5% against 2020

## Water Consumption

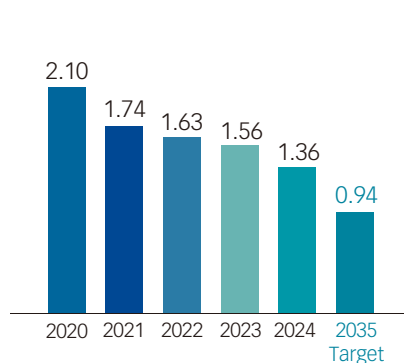
**Target:**

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

**2024 Progress:**

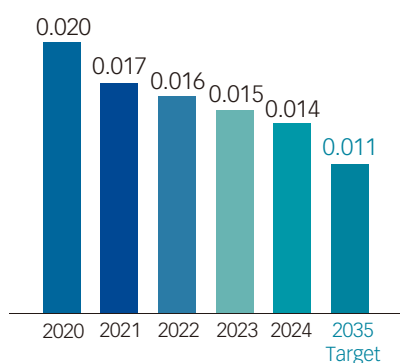
- Water consumption intensity decreased 21.9% against 2020

## GHG EMISSION INTENSITY

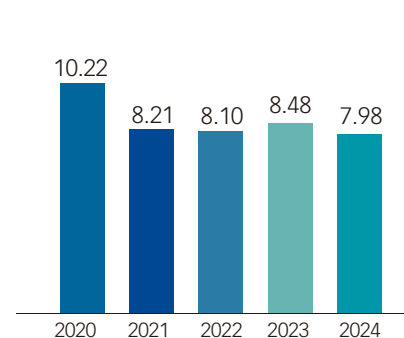
(tCO<sub>2</sub>e per US\$10,000 of revenue)

## ENERGY CONSUMPTION INTENSITY

(TJ per US\$10,000 of revenue)



## WATER CONSUMPTION INTENSITY

(m<sup>3</sup> per US\$10,000 of revenue)

## 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 landfill disposal

**Hazardous Waste Treatment at Subsidiary Terminals in 2024:**

- 100% of hazardous waste was processed by certified recyclers for hazard-free disposal

<sup>1</sup> CSP Chancay Terminal and Xiamen Haicang Supply Chain, which commenced operations in November 2024, are not included.

## Corporate Sustainable Development

In 2024, the Company continued to focus on its sustainability approach GRAND, i.e., Governance, Resilience, Agility, Nature and Dynamic, to enhance its energy saving and emissions reduction strategies and to accelerate progress toward achieving carbon neutrality and a just socioeconomic transition. The Company is steadily advancing its efforts to build digital, intelligent, green, and low-carbon ports while actively fostering the development of a green shipping industrial chain. The goal is to create shared value for all stakeholders and to jointly drive the sustainable development of the industry.

### GOVERNANCE

The Company adheres to international ESG governance principles while maintaining high standards of corporate governance and business integrity. The Company upholds the principles of business ethics and compliant operations, driving sustainable development through professional and transparent management practices. During the year, the Company revised and clarified the terms of reference for the ESG Committee to include climate change-related issues and provided training for Board members on the latest developments and trends in climate-related policies. The Company places great emphasis on data assets, information security and privacy protection. Within the year, the Company established a Cybersecurity Committee and a Data Management Committee to guide and standardise its cybersecurity management, enhancing overall protection capabilities and standards while promoting the standardisation, normalization and security of data, accelerating data governance to realise the value of data assets and improve the digital management capabilities of the Group.

### RESILIENCE

During the year, the Company completed a qualitative climate scenarios analysis of physical and transition risks and opportunities, as well as a scope 3 carbon emissions inventory check. The management of identified climate-related risks and opportunities aims to further enhance climate resilience and adaptability. The Company continued to reduce carbon emissions from its business operations through measures such as electrifying terminal equipment previously powered by diesel, promoting driverless electric container vehicles, and increasing the use of renewable energy. Within the year, the largest building-integrated photovoltaic (BIPV) project among mainland Chinese ports was connected to the grid and commenced operation at Guangzhou South China Oceangate Terminal; Lianyungang New Oriental Terminal was selected as one of the national near-zero carbon terminal pilot; Tianjin Container Terminal began operating hydrogen-powered trucks; and the world's largest pure electric container ship completed its charging and battery swap operations at Nantong Tonghai Terminal. These efforts not only demonstrate the Group's commitment to environmental protection but also solidify its leading position in advancing green ports and sustainable development. In terms of sustainable supply chain management, the Company adheres to the core principle of sustainable procurement, implements a rigorous supplier screening process, and gradually strengthens its ESG requirements to ensure the long-term sustainability of the supply chain.

### AGILITY

Adhering to the core value of customers first, the Company leverages exceptional insights and the power of technological innovation, fully utilises the support and effectiveness of digital intelligence technology to actively promote the construction of green smart ports. The Company has successfully launched the world's first "CSP Port Digital Twin Integrated Energy Management Platform", achieving in-depth integration of "energy management" and "digital twin technology" and effectively implementing the green and low-carbon development strategy. During the year, the CSP Chancay Terminal successfully commenced operations as the first fully automated port in South America, setting a new benchmark for smart ports driven by green and low-carbon technologies. Additionally, a total of 675,000 TEU was handled by driverless container vehicles throughout the year. During the year, container vehicles powered by new and clean energy surpassed 50% in the subsidiaries in China.

## Corporate Sustainable Development

### NATURE

The Company is committed to conserving natural resources and striving to minimise the consumption of water and raw materials during its operations. The Company actively promotes the recycling of wastewater and waste and participates in ecological and environmental protection projects. During the year, employees from the Hong Kong headquarter participated in a coral exploration activity organised by the World Wide Fund for Nature (WWF), raising awareness among employees regarding the importance of biodiversity conservation and contributing to the support of coral restoration projects to help restore marine ecosystems. In addition, prior to the official opening of CSP Chancay Terminal, the Group took the initiative to protect the adjacent wetland, ensuring that development and conservation go hand in hand to achieve sustainable development.

### DYNAMIC

The Company adheres to a diverse and inclusive corporate development philosophy, and is committed to working hand in hand with all employees and stakeholders. The Group is firmly committed to the health and safety goal of “zero fatality”, providing comprehensive and diverse training and development opportunities aimed at creating a safe, healthy, and harmonious work environment. At the same time, the Company builds a sustainable talent pipeline and actively promotes a just transition within the port industry. Furthermore, the Company continues to dedicate itself to the development of the communities where it operates, focusing on areas such as poverty alleviation and support for vulnerable groups, education and youth development, and environmental protection, with the aim of creating shared value for stakeholders and achieving harmonious coexistence between society and the corporate sector.