



中遠海運國際(香港)有限公司

COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

(Incorporated in Bermuda with limited liability)

Stock Code : 00517

ANNUAL REPORT
2025



Intelligence Enabling a Green Maritime Future



Environmental, Social and Governance Report

1. ABOUT THIS REPORT

This report outlines the Environmental, Social and Governance (“ESG”) performance of COSCO SHIPPING International (the “Company”) and its subsidiaries (collectively the “Group” or “We”), as well as its joint venture Jotun COSCO with the aim to address the expectations of its stakeholders.

1.1 Reporting Period and Boundary

This report covers the period from 1 January 2025, to 31 December 2025 (the “reporting period”). The reporting boundary encompasses the sustainable development performance and measures of the Group’s main businesses, including ship trading agency services, insurance brokerage services, supply of marine equipment and spare parts, production and sales of coatings, intelligent shipping services, and trading of other ship-related products and services.

Unless otherwise specified, the general disclosures in this report reflect the Group’s ESG-related strategies, policies, objectives, management approaches and initiatives. Key performance indicators (“KPIs”) cover all subsidiaries of the Group and are presented in aggregate data. Although the environmental and social data of our joint venture, Jotun COSCO, are not consolidated, the report also includes information on its ESG activities.

1.2 Reporting Standards and Principles

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Code” (the “ESG Code”) set out in Appendix C2 to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). To ensure the quality of the content and data presented in this report, we strictly adhere to the principles stipulated in the ESG Code, which include:

| Materiality | Quantitative | Balance | Consistency |
|---|---|--|---|
| Through stakeholder engagement and materiality assessment, we ensure that ESG issues remain relevant and material to our business and stakeholders. | We regularly collect and monitor quantitative metrics to evaluate the progress of ESG initiatives and objectives. | To objectively present our sustainability performance, this report highlights both our achievements and areas for improvement. | To enable effective comparison of ESG performance in a consistent manner, explanatory notes are provided whenever changes occur in the methodologies or scope of data compilation throughout this report. |

As a responsible corporate citizen, we are committed to continuously optimising our sustainable operating environment and practices. Our goal is to maximise long-term returns for shareholders while actively advancing the development and well-being of the communities in which we operate.

2. OVERVIEW

2.1 Statement of the Board

The Group is well aware of the increasingly stringent ESG governance requirements from the Stock Exchange, which particularly emphasises the Board's involvement and oversight responsibilities. We have maintained an unwavering commitment to our environmental and social objectives, and have clearly defined the specific roles of the Board and the internal governance structure of the Group. The Board fully recognises the importance of effectively implementing sustainable development practices and incorporating ESG elements into key business decisions. It takes ultimate responsibility for ESG strategies and reporting, and oversees the management approach and strategy of all ESG issues. The Environmental, Social and Governance Committee ("ESG Committee") has been established to assist the Board in supervising the ESG-related strategies, policies and development plans of the Group. This robust governance foundation positions us to advance steadily toward long-term success in sustainable development.

2.2 Environmental, Social and Governance Structure

The Board of the Group fully recognises the importance of effectively implementing sustainable development practices and incorporating ESG elements into key business decisions. It takes ultimate responsibility for ESG strategies and reporting, and oversees the management approach and strategy of all ESG issues.

The Board has established an ESG Committee to assist the Board in supervising the ESG-related strategies, policies and development plans of the Group. The ESG Committee comprises an Executive Director and a representative from each of the Operation Management Division, Executive Division, Strategy Development Division, Human Resources Division and Public Relations Division. The ESG Committee convenes at least one meeting annually or as necessary to identify and address ESG-related opportunities, issues and risks. It also formulates the Group's ESG vision, strategy and objectives to guide its ESG direction and assess performance. Given the increasingly stringent regulatory requirements, the ESG Committee is responsible for overseeing the preparation of ESG reports to ensure compliance with the relevant laws and regulations. The ESG Committee reports its latest work, progress and recommendations on ESG-related matters to the Board annually.

2.3 Environmental, Social and Governance Management Approach

To support the Group's sustainable development, we consider multiple ESG factors when formulating strategies. Owing to the diversified operations of the Group, our policies are tailored to the business models of subsidiaries and include independent ESG risk assessments for these companies. As the business environment changes rapidly, we continuously optimise the Group's policies by reviewing the management approach to keep pace with the latest market trends, industry developments and regulatory requirements so as to ensure the relevance and applicability of our policies.

In line with the management measures for the Environmental Management System Certification of the International Organisation for Standardisation ("ISO"), the subsidiaries of the Group have formulated environmental policies in accordance with relevant standards to respond to the increasing public attention to environmental protection and tightening ecological regulations. In addition to obtaining certifications from authorised institutions, we are committed to minimising the environmental impact of our business.

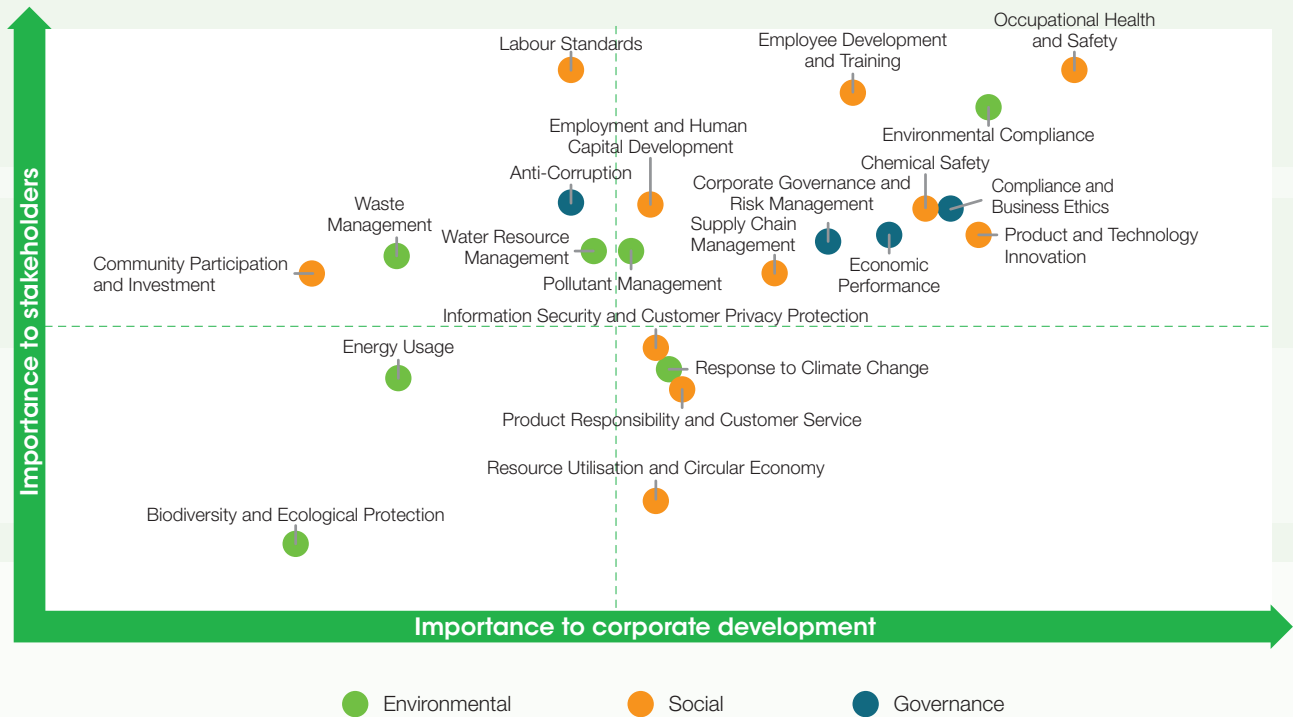
From a social perspective, we are dedicated to ensuring the highest standards of occupational health, safety and product quality in our operations. Our commitment is reflected in our ongoing success in maintaining the Quality Management System Certification (ISO 9001), Environmental Management System Certification (ISO 14001) and Occupational Health and Safety Management System Certification (ISO 45001:2018).

To promote sustainable development, the Group focuses on enhancing internal coordination within its network of subsidiaries. The Group continues to strategically participate in formulating the overall sustainable development plan, and subsidiaries are required to provide annual quantitative performance data, along with reporting of their management approaches, practices and initiatives, to the headquarters for annual review. The Group closely monitors and reports on the progress of strategy implementation and other ESG-related matters to ensure the level of operational efficiency.

2.4 Materiality Assessment

In 2025, we distributed questionnaires to major stakeholders to reassess the materiality of these issues, and identified 22 material ESG issues through questionnaire analysis, covering 8 environmental issues, 10 social issues, and 4 corporate governance issues, which reflect our ESG consideration in corporate management. These issues have been carefully considered in the preparation and compilation of this report. These issues are outlined in the following materiality matrix.

2025 Materiality Matrix of ESG Topics of COSCO SHIPPING International



2.5 Stakeholder Engagement

Stakeholder feedback is pivotal to our path of development. We value insights from stakeholder groups potentially affected by our operations and perspectives from external organisations with expertise in areas we consider important. We engage with stakeholders across multiple platforms, and gather feedback regularly. These insights are vital for continuously evaluating and shaping our corporate strategies and sustainability plans.

The following is a summary of the communication channels to the specified stakeholders in our daily operational activities:

| Stakeholder Groups | Communication Channels | Communication Purposes | Communication Frequency |
|---|--|--|--|
| Government authorities | <ul style="list-style-type: none"> Questionnaires Discussion meetings Site visits Information submission | <ul style="list-style-type: none"> Compliant operation Environmental stewardship Social contribution Tax compliance | <ul style="list-style-type: none"> Irregular |
| Shareholders and investors | <ul style="list-style-type: none"> Roadshows Company visits Investment summits Regular reports & announcements Telephone conferences, emails, WeChat etc. | <ul style="list-style-type: none"> Communicate and report the Company's operational performance and strategic direction | <ul style="list-style-type: none"> Semi-annual/annual Real-time communication such as meetings, calls, and emails |
| Employees of the Group | <ul style="list-style-type: none"> Training and education activities Employee satisfaction survey Annual staff meeting Working meetings | <ul style="list-style-type: none"> Workforce retention Enhance occupational safety and health awareness Ensure employee rights and benefits | <ul style="list-style-type: none"> Annual Weekly management meetings Monthly, quarterly, semi-annual, or annual work summary reportings |
| Business partners, customers, and suppliers | <ul style="list-style-type: none"> Company visits Telephone conferences, emails, and other electronic means Social media Inspection and evaluation | <ul style="list-style-type: none"> Ensure stable and effective supply chain management Sustainable procurement policy | <ul style="list-style-type: none"> Semi-annual/annual Irregular meetings |
| Local communities and non-government organisations ("NGOs") | <ul style="list-style-type: none"> Community projects Collaborative projects Public welfare projects | <ul style="list-style-type: none"> Community communication and engagement Low-carbon operation Create social benefits | <ul style="list-style-type: none"> Irregular |

2.6 Honours and Recognitions

In 2025, COSCO SHIPPING International received the following prestigious awards in the field of green and sustainable development:

- At the “2025 International ESG Forum of Hong Kong and Annual Awards Ceremony”, the Company was awarded the “Best ESG Social Responsibility Practice Award.”



- The Company won the “Listed Company Awards of Excellence 2025” by the Hong Kong Economic Journal, reflecting high market recognition of its comprehensive strength and investment value.



- The Company received the “Certificate of Excellence” from the Hong Kong Investor Relations Association (HKIRA), recognising its pursuit of high-level investor relations management, and which highly recognised and affirmed by the capital market.

- The Company received its first “Employer of Choice Award” and “Corporate Social Responsibility Award” at the Employer of Choice Award 2024 held by the “Job Market”.

- The Hong Kong Council of Social Service (HKCSS) awarded the Company the “Caring Company” logo for the 17th consecutive year, recognising its performance as “Above-average” this year.



- COSCO Kansai Companies were awarded the honorary title of “Advanced Unit for Standardisation of Coatings and Pigments” for its outstanding contributions and leading practices in the standardisation.

- At the 18th National Modern Logistics Technological Innovation Conference, the “Vessel Fuel Full Life Cycle Solution Based on Large Models, Big Data and Large Platforms” project submitted by COSCO SHIPPING Smart-Sailing won the First Prize of the Science and Technology Progress Award, the highest honour of the Science and Technology Award from the China Federation of Logistics & Purchasing for 2025.



- The Company actively participated in the Sowers Action Challenging 12 Hours Charity Trail Marathon, winning the Gold Fundraising Sponsorship, Fundraising Award, and Participation Award.



- Mr. Wang Yong, Executive Director, was awarded the honour of “Excellent CFO of Listed Companies” at the 15th Hong Kong International Financial Forum cum China Securities “Golden Bauhinia Award” Ceremony in 2025. This award further underscores the Company’s sound reputation in the capital market.

3. RESPONDING TO CLIMATE CHANGE

Facing the complex challenges and potential risks brought about by global climate change, the Group consistently integrates climate change response into its overall development strategy. Adhering to the principle of “Prevention First, Coordinated Management, Scientific Response, and Continuous Optimisation”, we continuously improve our climate governance structure, strengthen climate strategic planning, and enhance risk management capabilities. Through systematic and precise initiatives, we effectively mitigate climate-related risks and actively seize the development opportunities brought by the low-carbon transition, promoting a sustainable coexistence between the enterprise and the environment.

3.1 Climate Governance

The Group has established a climate governance structure with clear hierarchies and defined responsibilities, forming a governance system of “Board coordination, ESG Committee leadership, and subsidiary execution”, ensuring that climate change response efforts advance in an orderly and effective manner.

| | |
|---------------------------|--|
| Board of Directors | Holds ultimate responsibility for the Group’s climate change-related strategies, policies and targets; regularly receives thematic reports from the ESG Committee on climate risk management and low-carbon transition progress; reviews major climate-related decisions to ensure that the climate strategies align with the Group’s overall development goals. |
| ESG Committee | Led by an Executive Director, coordinates climate and environmental strategic planning and major decisions; continuously evaluates the impact of climate risks on business operations; enhances internal capacity to respond to climate-related risks; and oversees the implementation progress of climate-related policies and measures. |
| Subsidiaries | The Group’s subsidiaries have established an independent Climate Risk Management Working Group responsible for implementing specific climate risk management tasks, including stages such as risk identification, formulation of response measures, and monitoring and improvement. |

Furthermore, the Group has established a cross-departmental collaboration mechanism to promote information sharing and cooperation among production, technology, environmental protection, and safety departments. Through regular employee training, we enhance environmental awareness and sustainability concepts among all staff, ensuring that climate change responsibilities are effectively fulfilled at every level and stage.

3.2 Climate Strategy

The Group keeps abreast of international climate governance trends and domestic environmental policy requirements. Combining the industry characteristics of shipping and manufacturing, we have formulated a forward-looking and feasible climate strategy focusing on three core directions: risk defence, energy conservation and emission reduction, and low-carbon transition, promoting deep integration between climate response and business development.

Regarding Risk Defence Strategy: Targeting extreme weather events such as tropical cyclones, rainstorms, heavy snow, sustained high temperatures, and sea-level rise, the Group continuously strengthens the “Prevention-Response-Recovery” full-chain management.

Regarding Energy Conservation and Emission Reduction Strategy: The Group continuously advances energy structure optimisation and energy efficiency improvements. Based on the energy management system, we implement measures such as phasing out high-energy-consuming equipment, promoting clean energy alternatives, and optimising production processes to achieve dual reductions in comprehensive energy consumption and energy consumption per unit of product. Concurrently, we vigorously develop renewable energy, having built rooftop photovoltaic power projects to further reduce reliance on fossil fuels and cut greenhouse gas emissions.

Regarding Low-Carbon Transition Strategy: The Group focuses on green product and service innovation. Through initiatives such as developing eco-friendly coatings, promoting green methanol projects, and building digital low-carbon service platforms, we facilitate the green transformation of the shipping industry. We also continuously track carbon pricing policies and carbon market dynamics, exploring carbon asset management models to prepare for potential carbon cost pressures.

3.2.1 Identification of Climate-related Risks and Opportunities

The Group conducts climate risk and opportunity identification and assessment systematically based on the climate-related financial disclosure framework of the Task Force on Climate-related Financial Disclosures (“TCFD”). This identification covers three major dimensions: physical risks, transition risks, and climate opportunities. For physical risks, we identified and assessed the potential impacts of various risks on facility safety, transportation efficiency, and operational continuity; for transition risks, we focused on regulatory compliance and reputation to address challenges brought by stricter regulations and rising market expectations during the low-carbon transition. Simultaneously, we actively explored core opportunities such as green shipping, application of low-carbon fuels, low-carbon shipping services, and brand value enhancement, and formulated corresponding management plans and development measures.

In the process of sustainability and climate-related strategic planning, the Group identifies and assesses climate risks and opportunities across different time horizons, defining the short, medium, and long term as follows: Short-term refers to within 1 year from this reporting year; medium-term refers to the period up to 2030; long-term refers to the period up to 2050. Through full-dimensional identification and full-lifecycle management, we coordinate risk mitigation with opportunity capture to strengthen corporate climate resilience.

| Types of Climate Risk ¹ | Specific Risk | Risk Description | Time Horizon | Mitigation Measures |
|------------------------------------|--|--|---------------------------|---|
| Physical Risks | | | | |
| Physical Risk (Acute) | Extreme weather events (e.g., tropical cyclones, rain storm) | Increasingly frequent extreme weather events may damage the assets and equipment in the production facilities and endanger employee safety. | Short-term | <ol style="list-style-type: none"> 1) Enhance infrastructure resilience, install high-precision meteorological monitoring equipment around production plants and establish real-time data access from professional meteorological agencies for early warnings of extreme weather conditions. 2) Enhance safety protection for staff, develop and conduct regular drills of extreme weather emergency plans. For example, Jotun COSCO has formulated the “On-site Response Plan for Natural Disasters” and conducted drills annually. |
| Physical Risk (Acute) | Extreme weather events (e.g., heavy snow, frost caused by severe cold) | Ice-covered roads paralyse traffic and disrupt the transportation of goods. Under low temperatures, vehicle failures as well as machinery and equipment malfunction become frequent and directly lower transportation efficiency significantly. This will greatly affect logistics and delivery and may cause chain reactions in relevant industries, which result in inconveniences and losses. | Short-term | <ol style="list-style-type: none"> 1) Use high-strength building materials to enhance the load-bearing capacity of roofs and walls, so that plants and facilities can withstand the pressure from thick snow accumulation. 2) Production plants should stockpile enough emergency supplies such as flashlights, matches and warm clothes to cope with potential power outages and supply shortages during heavy snow. Also, backup power sources, such as generators, should be prepared to ensure the normal operation of critical equipment and lighting systems during power outages, so as to maintain the basic operation of the plants. |
| Physical Risk (Chronic) | Persistent high temperatures | Prolonged high temperatures increase electricity consumption, potentially harming the production health of employees and reducing productivity of the plants. | Medium-term and long-term | <ol style="list-style-type: none"> 1) Optimise the energy consumption for equipment and adopt intelligent temperature-control systems for efficient energy saving in plants to dynamically adjust the power and operation time of cooling equipment. 2) Enhance employee safety awareness training and develop a shift system for high temperatures with reasonable working hours. |

¹ The climate risks identified during the reporting period remained consistent with those of the previous year, and new identification of climate opportunities was added.

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| Types of Climate Risk ¹ | Specific Risk | Risk Description | Time Horizon | Mitigation Measures |
|------------------------------------|--|--|---------------------------|--|
| Physical Risk (Chronic) | Rising sea level | Rising sea levels may threaten coastal plants, causing soil salinisation and the rise of groundwater level. This affects infrastructure as well as production and operations of the plants. In addition, the rise of sea levels can also increase risks of rain storm. | Medium-term and long-term | <ol style="list-style-type: none"> Place critical equipment and supplies at higher locations to minimise damage of sea level rise the plants. Strengthen coastline monitoring and maintenance to promptly identify and address coastal erosion issues. |
| Transition Risks | | | | |
| Transition Risk | Regulatory compliance risk | Given the impact of increasingly stringent environmental regulations and carbon taxes on businesses, the Group must fully understand these requirements to ensure compliance with laws and regulations. | Medium-term and long-term | <ol style="list-style-type: none"> Improve the internal compliance review system and establish independent compliance review teams to conduct proactive audits of all business processes on a regular basis. Proactively establish regular communication mechanisms with environmental regulators and relevant industry associations, actively participate in policy discussion meetings, and receive guidance from regulatory authorities. |
| Transition Risk | Reputation risk | Customer perceptions of the Group's actions in transitioning to a low-carbon economy may affect our reputation. The business model of the Group must align with the principle of low-carbon economy and any misalignment may lead to negative customer perceptions. | Medium-term and long-term | <ol style="list-style-type: none"> Regularly publish detailed corporate low-carbon development reports to showcase our achievements in new energy applications and carbon emission reduction, so as to promote our positive image in the low-carbon transition. Establish a green channel for environmental issue complaints, promptly collect customer views and inquiries on the low-carbon transition and proactively address potential negative perceptions. |
| Climate Opportunities | | | | |
| Climate Opportunity | Green shipping and low-carbon fuel application | Driven by global green shipping policies and maturing low-carbon fuel technologies, the Group can optimise its energy structure by expanding the use of green methanol and green hydrogen, reducing long-term carbon costs and enhancing competitiveness of shipping services. | Medium-term and long-term | <ol style="list-style-type: none"> Advance low-carbon fuel projects (e.g., green methanol, green hydrogen) to build a "production-bunkering-application" full-chain system. Increase investment in new energy-powered vessels and supporting facilities to create green shipping demonstration scenarios. |
| Climate Opportunity | Low-carbon shipping services and brand value enhancement | Growing client and market demand for low-carbon, sustainable shipping services allows the Group to provide green products, strengthening market position and brand reputation. | Medium-term and long-term | <ol style="list-style-type: none"> Provide carbon-reduction transport services based on low-carbon fuels and optimised speeds/routes. Offer carbon management value-added services, including carbon accounting, decarbonisation pathway planning, and sustainable development data disclosure support to meet clients' ESG compliance and supply chain decarbonisation needs. |

¹ The climate risks identified during the reporting period remained consistent with those of the previous year, and new identification of climate opportunities was added.

3.2.2 Climate Scenario Analysis

Based on the core business attributes of shipping, logistics, and related industries, and combining global climate change trends, industry policy directions, and corporate development strategies, the Group regularly conducts climate scenario analysis to systematically evaluate the potential impacts of climate-related physical and transition risks on business operations, financial planning, and strategic deployment under various scenarios, while also exploring development opportunities in green shipping and low-carbon industries.

Climate Scenario Selection Basis

We utilise authoritative scenarios from the Intergovernmental Panel on Climate Change (“IPCC”) and the Network of Central Banks and Supervisors for Greening the Financial System (“NGFS”) to construct our physical and transition risk scenario frameworks. These are used to systematically assess the risks the Group faces under different climate pathways, providing scientific and reliable decision-making support for the strategic adjustment and climate-related risk management and control of the Group.

Physical Risk Scenarios

- SSP5-8.5 High Emission Scenario: Global temperatures are expected to rise by 4.4°C by 2100
- SSP2-4.5 Medium Emission Scenario: Global temperatures are expected to rise by 2.7°C by 2100
- SSP1-2.6 Low Emission Scenario: Global temperatures are expected to rise by 1.8°C by 2100

Transition Risk Scenarios

- Current Policies Scenario: Global temperatures are expected to rise by 2.8°C by 2100
- 2°C Scenario: 67% probability of limiting temperature rise to below 2°C by 2100
- 1.5°C Scenario: Temperature rise is expected to limit to 1.5°C by 2100

Risk Analysis under Different Scenarios

| | Physical Risk: | Transition Risk: |
|---------------------------------|--|---|
| Risk Analysis Approach | Analyses physical risks under different climate scenarios using climate models to assess the frequency and intensity of natural disasters at offices and manufacturing locations, and quantifying potential physical risk loss severity via loss calculation models. | Estimates carbon reduction costs under different climate scenarios using the formula: Corporate Carbon Reduction Cost = Carbon Reduction Volume × Carbon Price. |
| Risk Measurement Metrics | Corporate PVaR = Potential Physical Risk Loss Amount/Enterprise Value; Enterprise Value = (Market Capitalisation + Debt + Minority Equity + Preference Shares) – Cash and Cash Equivalents. | Corporate CVaR = Corporate Carbon Reduction Cost/Enterprise Value; Enterprise Value = (Market Capitalisation + Debt + Minority Equity + Preference Shares) – Cash and Cash Equivalents. |

Climate Scenario Analysis Conclusions and Response Principles

• Conclusion of Physical Risk Scenario Analysis

This physical risk scenario analysis focused on four climate-related physical risks — rain storm, frost, persistent high temperatures, and tropical cyclones — impacting the locations of our main offices and factories (Beijing, Shanghai, Hong Kong and Zhuhai). The analysis integrated historical data with projected data for 2030 and 2050 under SSP1-2.6 (low emission scenario), SSP2-4.5 (medium emission scenario), and SSP5-8.5 (high emission scenario). This enabled us to identify and evaluate regional variations, scenario dependencies, and potential impacts of these physical risks, establishing a clear risk priority ranking system.

The analysis indicates that the Hong Kong and Zhuhai regions require particular attention to manage risks associated with rain storm and tropical cyclones. The Beijing region should focus on mitigating risks related to persistent high temperatures, while the Shanghai region should be vigilant about a slight upward trend in rain storm risk. Based on these analytical findings, to effectively prevent and mitigate physical risks in each region and to genuinely fulfill our ESG disclosure obligations, we will develop and implement a series of targeted response measures.

PVaR Heatmap under Historical and Various Climate Scenarios^{2,3}

| Types of Physical Risks | Office or Factory location | History | SSP1-2.6 | | SSP2-4.5 | | SSP5-8.5 | |
|------------------------------|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | 2030 | 2050 | 2030 | 2050 | 2030 | 2050 |
| Rain storm | Beijing | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Shanghai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Hong Kong | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Zhuhai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| Frost | Beijing | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Shanghai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Hong Kong | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Zhuhai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| Persistent high temperatures | Beijing | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Shanghai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Hong Kong | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Zhuhai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| Tropical cyclones | Beijing | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Shanghai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Hong Kong | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |
| | Zhuhai | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green | Light Green |

² This physical risk scenario analysis utilised IPCC data in conjunction with our internal models for risk measurement, and was further optimised on the basis of 2024. The scope of the analysis includes the locations of our primary offices and factories. All assumptions underpinning this risk measurement represent the core premises of this physical risk data analysis. Any changes to these assumptions will directly impact the accuracy of the risk predictions. These projections are purely theoretical calculations based on current assumptions and do not represent future actual risk conditions, nor do they constitute any basis for decision-making.

³ Please note that regions coloured red indicate areas with potential risks, while regions coloured green represent areas with a lower level of risk. However, these green regions still require ongoing attention. The intensity of the colour corresponds to the severity of the risk.

• Physical Risk Response

In the face of intensifying physical risk related to climates such as extreme heat, heavy snow, frost, tropical cyclones, and rain storm, the Group adheres to a management philosophy of “Prevention First, Categorised Strategies, and Rapid Response”. Focusing on key scenarios and core assets, we have built a full-process physical risk defence system encompassing equipment optimisation, facility reinforcement, material reserves, institutional construction, and emergency drills.

In response to the need to address climate disasters such as typhoons and floods, the Group's subsidiaries, established “Typhoon and Flood Prevention Special Task Forces” to build a “Fully Participatory, Full-domain Coverage” organisational system for responding to climate disasters, providing core coordination and support to ensure the implementation of all response measures. The company stockpiled waterproof sandbags, drainage pumps, and emergency lighting at new office locations to address the mismatch between the material reserves at the original office location and the needs of the new site and protect core areas such as office equipment and data server rooms. Prior to the critical typhoon season in August, the company formulated “防颱防汛工作方案 (Typhoon and Flood Prevention Work Plan)”, clarifying early warning response procedures, responsibilities, and priority actions. In combination with the layout of the new office locations, it simultaneously planned a list of material reserves and storage locations for flood prevention to ensure that “Plans and Materials are in Place” before disasters strike. The company also organised specialised emergency drills for typhoon prevention to enhance employees' emergency response capabilities by simulating early warning response, material handling, equipment protection and personnel evacuation procedures before typhoon.

Case: The Company's Response to Super Typhoon “Ragasa”

From 23 to 24 September, Super Typhoon “Ragasa” affected the coast of Guangdong. The Company's Safety Management Department activated its emergency mechanism to strengthen extreme weather physical risk prevention, ensuring the safety of employees and corporate assets. We monitored the typhoon's trajectory

in advance, issued warnings, identified hidden risks, and formulated “防颱措施方案 (Typhoon Prevention Action Plan)”. Key units implemented defensive measures early, and the Safety Management Department assigned dedicated personnel on duty to supervise each unit to implement

according to the standard and report the implementation in time. A joint Guangdong-Hong Kong coordination mechanism was activated during the period to oversee frontline efforts for typhoon prevention. With scheduled dynamic feedback of each unit and real-time risk monitoring of on-duty personnel, these full-process, full-coverage measures effectively mitigated the risks of operational interruption and asset loss caused by extreme weather.



- Conclusion of Transition Risk Scenario Analysis**

The results of this transition risk scenario analysis indicate a significant positive correlation between the stringency of climate policies and the carbon cost risk faced by the Company. Specifically, under a 1.5°C warming target scenario, the Company’s CVaR reaches 0.07% in 2050, significantly higher than the 0.06% observed under a 2°C scenario and the 0.01% under the current policy scenario. This finding highlights the differentiated impact of various climate policy scenarios on the Company’s carbon cost risk, with the 1.5°C scenario presenting the most stringent policy constraints and, consequently, the highest carbon cost risk. Even under the most stringent climate policy scenario, we demonstrate a strong risk resilience and climate resilience.

| Scenario Types | 2030 CVaR (%) | 2050 CVaR (%) |
|---------------------------|---------------|---------------|
| Current Policies Scenario | 0.00% | 0.01% |
| 2°C Scenario | 0.02% | 0.06% |
| 1.5°C Scenario | 0.06% | 0.07% |

Transition Risk CVaR (%) Calculation Results⁴

- Transition Risk Response**

The Group regularly publishes corporate low-carbon development information to showcase achievements in renewable energy application and carbon emission reduction, promoting a positive image of our low-carbon transition. Additionally, we have established a green channel for environmental complaints to promptly collect customers’ views and inquiries regarding our low-carbon transition, proactively mitigating potential reputational risks. For further information on our transition risk response measures, please refer to the sections on Energy Utilisation and Green Products and Service Innovations.

Case: Jotun COSCO Qingdao Plant Selected as a National “New Four Categories” Environmental Facility Open Unit

Relying on excellent green manufacturing and environmental management results, the Jotun COSCO Qingdao Plant was successfully selected as a national “New Four Categories” environmental facility open unit. The factory has passed multiple authoritative certifications, with carbon emission intensity reduced by 50% compared to 2017, and VOCs treatment efficiency reaching 99.7%. On occasions such as “June-5th Environment Day”, it hosts public visits to disclose green production processes and pollution control practices, fully fulfilling its responsibility for disclosing environmental information.



⁴ Due to an update to the 2025 emissions data, the CVaR (%) calculation results have been updated accordingly.

- **Climate Opportunity Response**

The Group actively practices the concept of green development, continually increasing investment in green technology R&D. Focusing on low-carbon technological innovation and green product development, we continuously optimise our product structure and service systems, dedicated to assisting industrial low-carbon transformation with lower-carbon, more eco-friendly products and solutions to achieve sustainability goals.

Case: Jotun COSCO Launches HPS 2.0 Hull Performance Solution

Jotun COSCO's next-generation Hull Performance Solution (HPS 2.0) integrates innovative products, professional services, data support, and performance guarantees. It includes premium anti-fouling paint combinations like SeaQuantum X200 and SeaQuantum XT tailored for different routes, paired with data-driven tools under the ISO 19030 standard and HullKeeper performance analysis services, significantly reducing vessel fuel consumption and carbon emissions. SeaQuantum X200 has been verified by a qualified third-party agency to maintain an average speed loss of only 1.0% over a 60-month docking interval, helping fleets reduce CO₂ emissions by 11.1 million tonnes in 2024.



3.3 Climate Risk and Opportunity Management

The Group has constructed a full-process climate risk and opportunity management system comprising “Risk Identification—Assessment—Response—Monitoring—Improvement”. Referencing TCFD recommendations, we systematically identify physical risks, transition risks, and climate opportunities, and formulate targeted response measures to ensure climate risks remain manageable.

3.3.1 Risk Identification and Assessment

The Group employs diversified methods for climate risk identification. On one hand, leveraging big data analytics, we deeply mine industry data, regulatory information, and internal operational data to filter climate-related risk signals. On the other hand, we conduct industry benchmarking to learn advanced risk management experiences and regularly organise seminars and internal training to jointly analyse potential risk points.

In the risk assessment phase, we introduced a climate risk assessment model to score and rate identified risks across two dimensions: likelihood and impact level, classifying them into high, medium, and low risk grades and we focus heavily on high-risk matters, such as sea-level rise and storm surges affecting coastal facilities, equipment failure risks caused by high temperatures during production, and low-carbon transition pressures brought by policy changes, providing a basis for subsequent response formulation.

Our subsidiaries, COSCO Kansai Companies, focus on the impact of extreme weather — such as tropical cyclones, rainstorms, and persistent high temperatures — on production operations, regularly conducting climate risk identification to form a risk inventory.

3.3.2 Risk Monitoring and Improvement

The Group has built an intelligent, real-time dynamic monitoring system relying on information platforms and smart equipment to continuously track the status of climate risks. We regularly monitor the implementation of climate risk response measures and continuously optimise risk management processes and response plans based on internal and external environmental changes and monitoring results.

During the reporting period, no major production interruptions or financial losses occurred due to climate-related risks, demonstrating the effectiveness of our climate risk management.

The Group integrated typhoon and flood prevention into its “routine and seasonal inspection” system, executing a three-tier inspection mechanism of “Employee Self-inspection+Departmental Inspection+Company Inspection” to promptly discover and eliminate potential hazards. During critical climate disaster periods, a “Leadership Shift+Dedicated Personnel on Duty” system is implemented to ensure 24-hour communication and the timely reception and dissemination of meteorological warnings to all staff.

3.4 Climate Metrics and Targets

The Group adheres to tracking climate management effectiveness with a scientific and quantitative metric system, and guiding the low-carbon transition with practical targets. Centered on energy conservation, emission reduction, and risk prevention, we formulate and implement various climate-related metrics and targets tailored to the business characteristics and operational realities of our subsidiaries, ensuring climate change response efforts are evidence-based and proceed systematically.

3.4.1 Climate-related Targets

Since COSCO Kansai Companies’ energy consumption accounts for more than 90% of the Group’s total, we have set specific sustainability-related targets for COSCO Kansai Companies —aiming to achieve the following by 2030, relative to a 2020 baseline:

- Reduce greenhouse gas emissions (Scope 1 and Scope 2) by 10%.
- Reduce emissions of volatile organic compounds (“VOCs”) and benzene by 5%.
- Reduce energy consumption by 10%.

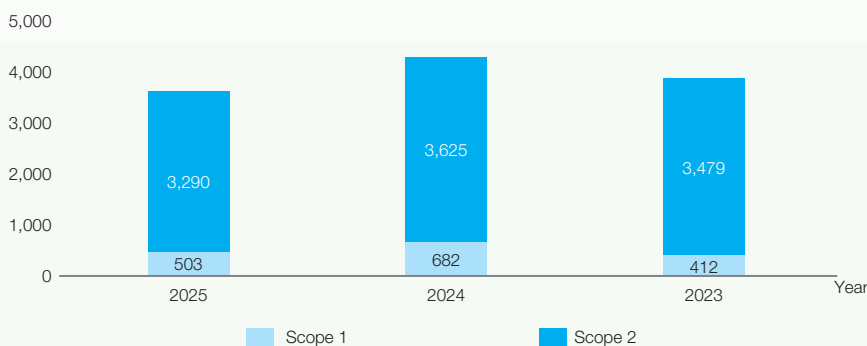
Jotun COSCO has established a long-term carbon reduction target using 2017 as the baseline, aiming to reduce carbon emissions per unit of product by 50% by 2030. To date, the company has exceeded this target ahead of schedule. The carbon emission intensity per unit of product has decreased significantly from 82 kg/tonne in 2017 to 24 kg/tonne as of 2025, demonstrating our commitment to green and low-carbon development.

3.4.2 Climate-related Metrics

Greenhouse Gas Emissions

The Group achieved significant progress in greenhouse gas emissions management in 2025. Through equipment upgrades, fuel substitution, and other measures. Total operational emissions (Scope 1 and Scope 2) for the year were 3,793 tonnes, a 11.9% reduction from 4,307 tonnes in 2024, demonstrating positive carbon reduction progress.

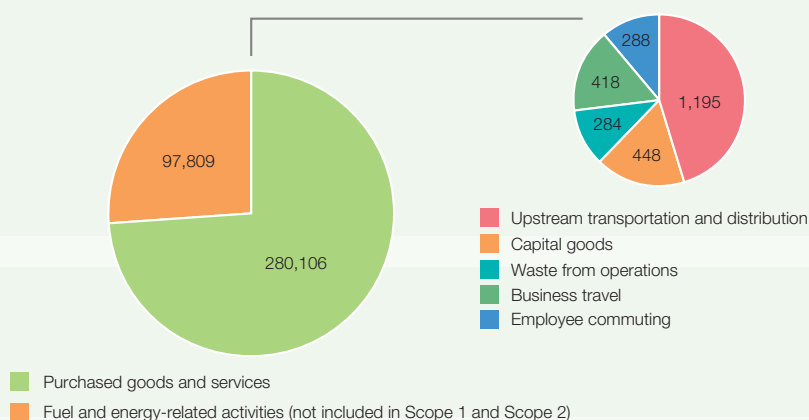
Total Operational Greenhouse Gas Emissions for the Group (tonnes)



In 2025, the Group conducted emissions accounting for seven Scope 3 emission categories, encompassing “Purchased Goods and Services”, “Capital Goods”, “Fuel and Energy-Related Activities (not included in Scope 1 and 2)”, “Upstream Transportation and Distribution”, “Waste Generated In Operations”, “Employee Business Travel”, and “Employee Commuting”. Analysis indicates a total Scope 3 emissions of 380,548 metric tonnes.

Among which, “Purchased Goods and Services” represents the largest emission source, primarily stemming from the procurement of raw materials and services related to shipping services and trade. The second largest category is “Fuel and Energy-Related Activities”, mainly arising from upstream extraction, processing, and transmission losses associated with purchased electricity and fuel. Moving forward, we will encourage suppliers to gradually conduct carbon inventories and deepen collaboration with value chain partners to systematically manage Scope 3 climate risks and steadily advance towards net-zero targets.

The Group’s Scope 3 (Value Chain) Greenhouse Gas Emissions (tonnes)



Product Carbon Footprint

Against the backdrop of advancing global climate governance and continuous improvement of international green trade rules, product carbon footprint has become a core indicator for measuring enterprises’ green competitiveness and driving the low-carbon transition of industrial chain. COSCO Kansai Paint (Shanghai) successfully completed the carbon footprint report for its waterborne acrylic coatings in 2025, systematically quantifying total GHG emissions over the products’ full life cycle and precisely identifying key carbon emission stages and reduction potential.

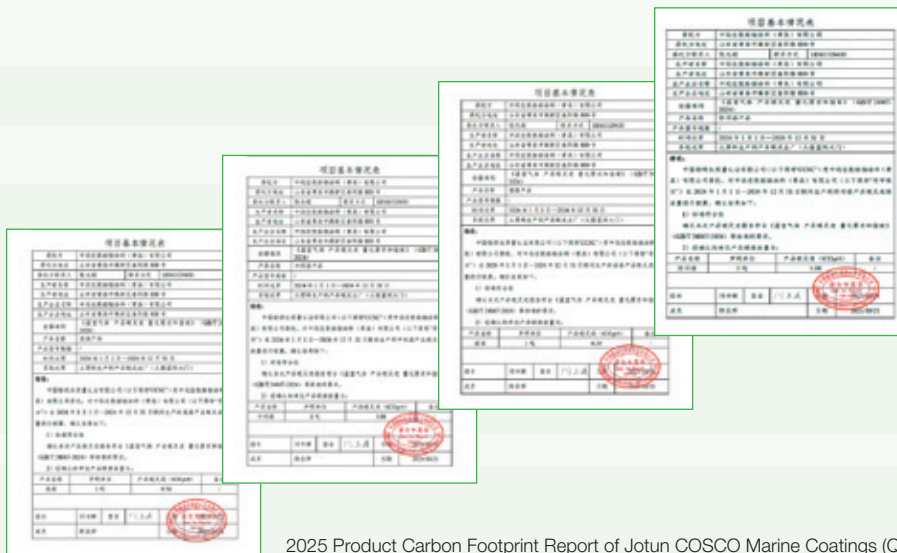
Case: COSCO Kansai Paint (Shanghai)’s Container Waterborne Coating Receives Shanghai’s First Batch of Carbon Footprint Certifications

In 2025, as the only product from the coating industry — and the only industrial coating product in the city’s first batch of pilot projects — COSCO Kansai Paint (Shanghai)’s container waterborne coating uses a waterborne system to replace traditional solvents, balancing anti-corrosion and decorative functions. It passed the full life cycle carbon emission quantitative verification by the Yangtze River Delta Green Certification Alliance. Its carbon emission data is traceable, verifiable, and comparable, responding to the demand for green coatings from container owners and shipping companies, while solidifying the company’s leading position in the container coatings market.



Jotun COSCO has commissioned a qualified third-party agency to complete the full life cycle carbon footprint accounting — from raw materials to factory gate — for four major product categories, including anti-fouling paints and topcoats.

For more climate-related metrics, please refer to the section headed “PERFORMANCE DATA SUMMARY — ENVIRONMENTAL” on pages 139 to 140.



2025 Product Carbon Footprint Report of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd.

4. ENVIRONMENTAL PROTECTION

The Group consistently adheres to the core philosophy of green development, deeply integrating environmental sustainability into the entire business operation process, striving to minimise the negative impact of operational activities on the environment.

4.1 Environmental Compliance Management

In the process of driving the green transformation of the shipping and manufacturing industries, we not only strictly comply with all regulatory requirements but also strategically plan for carbon reduction, resource optimisation, and ecological protection. We actively explore cutting-edge environmental technologies and innovative models, create green office environments, and strengthen all employees’ awareness of sustainable development through systematic training to fulfill our corporate environmental responsibilities comprehensively.

The Group strictly follows all relevant environmental laws and regulations that include extensive requirements, such as:

- “Environmental Protection Law of the People’s Republic of China”;
- “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China”;
- “Water Pollution Prevention and Control Law of the People’s Republic of China”;
- “Cleaner Production Promotion Law of the People’s Republic of China”;
- “Law of the People’s Republic of China on Environmental Impact Assessment”;
- “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes”;
- “Law of the People’s Republic of China on Prevention and Control of Pollution from Environmental Noise”;
- “Environmental Protection Tax Law of the People’s Republic of China”; and
- Other local rules and standards concerning environmental management in all operating locations.

To ensure subsidiaries continuously optimise environmental performance and adhere to operational standards, the Group has formulated environmental management policies compliant with ISO 14001 requirements, implementing a comprehensive environmental management system to achieve internal environmental targets. During the reporting period, COSCO Kansai Companies and Jotun COSCO continued to hold ISO 14001 Environmental Management System certifications, providing a solid guarantee for environmental management work. In addition, the Group has established a robust internal risk control system and management framework, utilising a top-down approach to comprehensively identify various environmental hazards in daily operations, ensuring that risks are properly managed at the operational level. In 2025, no environmental violation cases occurred across the Group's operating units, indicating steady and orderly progress in environmental management.



ISO 14001 Certification Certificate of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd.

ISO 14001 Certification Certificate of COSCO Kansai Paint (Shanghai)

The Group attaches great importance to routine environmental training and the establishment of emergency management systems for contingent environmental incidents. Through a combination of institutional norms, skills training, and practical drills, we comprehensively strengthen all employees' environmental awareness and emergency response capabilities, building an environmental safety defense line based on "Prevention First, Rapid Response, and Efficient Handling".

COSCO Kansai Companies have formulated the "Emergency Plan for Contingent Environmental Incidents", specifying emergency response procedures for scenarios such as wastewater leaks, hazardous waste spills, and excessive exhaust emissions. It has equipped emergency supply reserves and established emergency rescue teams. In 2025, they organised 12 specialised environmental training sessions with 1,102 participants; conducted 9 emergency training sessions covering 200 key personnel and emergency team members; and organised 2 emergency drills for wastewater leaks and hazardous waste spills, with 150 participants.

Jotun COSCO organised comprehensive training for all employees on a regular basis, covering environmental laws and regulations, waste disposal procedures, corporate environmental management systems, environmental KPIs, and key management protocols (including exhaust gas, wastewater, noise, and solid waste management). On an ongoing basis, the company conducts normalised environmental training through various formats, including three-level safety education, morning briefing shares, and small-scale practical exercises. In terms of emergency management, the company conducted two comprehensive emergency drills in June and November 2025, achieving 100% employee coverage. Environmental regulatory authorities were invited to observe and provide on-site guidance during these exercises, enhancing our employees' capacity to respond to contingent environmental incidents.

To pursue continuous improvement in environmental management, the Group regularly commissions third-party agencies to conduct environmental audits of business operations, focusing on identifying areas for improvement in wastewater, exhaust gas, and noise management. In accordance with operating license regulations, COSCO Kansai Companies proactively adopt additional governance measures to adapt to increasingly stringent emission limits.

4.2 Green Operations

The Group consistently regards green operations as a core mechanism for environmental protection. Focusing on key areas such as exhaust gas treatment, noise management, standardised waste disposal, water conservation, efficient energy utilisation, and resource circulation optimisation, we continuously deepen environmental measures, innovate management models, and rely on technological upgrades and process optimisation to reduce the environmental impact of business operations, promoting the coordinated development of production and ecological protection.

4.2.1 Exhaust Gas and Noise Management

Exhaust Gas Management

The Group's primary gas emissions are volatile organic compounds (VOCs, including benzene, toluene, and xylene) and particulate matter generated by our coating production business. With increasingly strict environmental regulations, we have further strengthened the full-process control of exhaust gases, building a comprehensive governance system of "Source Reduction+Process Collection+End-of-pipe Treatment+Real-time Monitoring". In 2025, the Group's all emission indicators met the standards.

COSCO Kansai Companies continue to promote the substitution of solvent-based coatings with waterborne coatings. In 2025, waterborne paint accounted for 56.2% of total production, effectively reducing VOCs generation. Production workshops are fully equipped with highly efficient exhaust gas collection devices, ensuring a collection rate of over 95%, and unorganised emissions are reduced by optimising production process parameters. Concurrently, the company continuously upgrades its online exhaust monitoring equipment and data acquisition systems, while regularly conducting manual testing and comparison testing of online equipment in accordance with national standards. The company innovatively built an exhaust emission early-warning mechanism; when online monitoring data approaches limit values, it automatically triggers alerts notifying relevant personnel for timely handling, ensuring emission data is authentic, accurate, and traceable. During the reporting period, COSCO Kansai Companies commissioned a third-party agency to conduct an annual environmental impact audit on pollutant management, covering all production areas, environmental facilities, and discharge outlets, with no non-conformities found.

Jotun COSCO actively promotes low-VOCs products, which now account for over 90% of its overall product portfolio, continuously practicing low-carbon and environmental protection concepts to help reduce environmental pollution.

Regarding end-of-pipe treatment, COSCO Kansai Companies and Jotun COSCO continue to use Regenerative Thermal Oxidizers ("RTO") employing "Catalytic Combustion" technology to treat organic exhaust gases, paired with bag filters to treat dust, ensuring all pollutant emission concentrations strictly comply with national and local standards.



2025 Key Performance

COSCO Kansai Companies implemented strict controls over VOCs emissions, setting a target for hourly average emission concentration below 50 mg/m³. During the reporting period, all relevant discharge outlets achieved stable and compliant emissions, continuously ensuring production and operational activities met environmental management requirements.

Jotun COSCO strictly adheres to all applicable laws and regulations, ensuring that emissions consistently meet discharge standards.

Noise Management

The Group attaches great importance to noise pollution prevention and the protection of employees' occupational health during production and operations. Strictly abiding by relevant laws, regulations, and pollutant discharge permit requirements, we have established a standardised noise monitoring and control system. By continuously optimising process layouts, adopting sound insulation and noise reduction engineering measures, and regularly conducting boundary noise testing, we ensure stable and compliant boundary noise emissions, effectively reducing impacts on the surrounding environment and communities.

In accordance with the "Measures for the Administration of Pollutant Discharge Permits", COSCO Kansai Companies conduct quarterly noise testing in areas one meter outside the factory boundaries. Testing indicators strictly follow the standards approved by the discharge permit. The companies manage factory noise primarily through sound insulation measures and continuously optimise noise governance effectiveness. In 2025, at the Shanghai factory, where RTO equipment noise is relatively high and located near the north boundary wall, a noise reduction wall project was completed expected to lower noise by 5–10 decibels, further ensuring stable compliance of factory boundary noise.

Jotun COSCO conducted monthly routine noise monitoring within our onsite workshops. Job categories with potential noise exposure include additive weighing operators, PLC operators, material preparation workers, sanding operators, charging workers and packaging workers. Targeted monitoring is conducted on the noise exposure conditions faced by these various job types. Additionally, the company engaged third-party agencies to perform quarterly professional inspections of day and night noise levels at our plant boundaries. Throughout 2025, all monitoring data met the requirements of relevant standards.



2025 Key Performance

COSCO Kansai Companies set a factory boundary noise control target of below 50 decibels. During the reporting period, online monitoring and on-site testing confirmed that all noise indicators met control requirements.

4.2.2 Waste Management

Adhering to the principles of "Reduction, Resource Utilisation, and Harmlessness", the Group's subsidiaries establish classified waste management systems based on their specific conditions, strengthening full-process traceability to ensure standardised disposal of all waste. In 2025, no negative incidents such as toxic substance leaks or illegal waste disposal occurred across the Group.

COSCO Kansai Companies formulate and implement the "Hazardous Chemicals Warehouse Management Regulations" and "Waste Management Regulations", reinforcing standardisation in hazardous material storage and waste treatment. For storage and disposal, they have set up dedicated anti-seepage and anti-corrosion warehouses to store hazardous waste, categorised and affixed with standardised labels, transferred by dedicated personnel using special sealed containers to prevent spills and leaks; non-hazardous waste is processed regularly every month and stored in independent warehouses. All waste is handed over to qualified third-party agencies for disposal, with standardised disposal contracts signed to track the entire process. To improve management accuracy and traceability, the companies established an electronic ledger system for hazardous waste, enabling real-time entry and querying of generation, storage, transfer, and disposal volumes, significantly boosting traceability efficiency. Additionally, the companies commissioned a third party to conduct an annual environmental impact audit of waste management, covering all production workshops, warehouses, and wastewater treatment stations, with no non-conforming items identified.

Environmental, Social and Governance Report

Jotun COSCO continues to implement its “Solid Waste Management” and supporting systems, achieving solid waste classification, standardised hazardous waste labeling, and full coverage of post responsibilities. In 2025, a new requirement for all-staff solid waste management training was introduced to enhance environmental awareness and compliance execution. The company established a refined classification mechanism, strictly distinguishing between domestic garbage, industrial solid waste (hazardous/non-hazardous), and contractor waste. The company actively advances conservation and recycling initiatives by minimising the use of tank-cleaning water and solvents through their systematic reclamation and reintegration into the production cycle. At the same time, the company maintains strict control over paint scrap volumes, prioritising the recovery and reuse of returned paint products. Key operational improvements include the use of liner bags to enable the reuse of steel drums and the classification of dust collector waste as general solid waste, and the replacement of 20-liter single-use paint pails with 1,000-liter recyclable Intermediate Bulk Containers (IBCs)—a practice now expanded across multiple shipyards — thereby significantly enhancing our waste-to-resource utilisation. Hazardous waste is disposed of by qualified contractors, and the warehousing department uses digital tools to record waste types, quantities, and transport information, enabling scan-code warehousing and electronic transfer slip management.

COSCO SHIPPING International Trading specifically implemented the “Hazardous Waste Management System” for its directly managed and leased asphalt terminals, effectively preventing environmental risks.

Case: Jotun COSCO Waste Management Enhancement Seminar

In 2025, the company organised a specialised seminar dedicated to enhancing waste management, conducting in-depth explorations of optimisation strategies for waste classification, reduction, and resource utilisation to continuously refine internal waste management system. Simultaneously, the company conducted environmental advocacy and training through various channels, including departmental meetings and the “I Care” environmental theme-learning program. These initiatives comprehensively strengthened the environmental awareness and sense of responsibility among all employees, ensuring that environmental protection principles are integrated into every aspect of daily production and operations, while fostering internal momentum for sustainable corporate development.



2025 Key Performance

COSCO Kansai Companies general solid waste generation decreased by 2% year on year; hazardous waste generation decreased by 1% year on year; the compliant disposal and utilisation rate of waste reached 100%.

Jotun COSCO’s solid waste generation intensity target was 16.1 kg/tonne of product. The actual achieved value was 14.35 kg/tonne, outperforming the annual target.

4.2.3 Water Resource Management

Water resource protection is an essential component of the Group’s green operations. Although the Group’s coating production business is not highly dependent on freshwater resources and does not generate a large amount of wastewater during production, we remain committed to managing freshwater use and wastewater discharge responsibly.

Water Intake and Management

The Group's production enterprises strictly abide by local water withdrawal permit systems, sourcing water from municipal water supply systems and reporting withdrawal data monthly to ensure legal compliance. In 2025, the Group encountered no issue in sourcing water, and water supply remained stable.

In terms of water management, COSCO Kansai Companies implement a tiered metering model, installing independent meters in all workshops and key water-using processes. Water usage is categorised into four types: production process water, equipment cleaning water, cooling circulation water, and office/domestic water, with clear quotas assigned to each unit. A daily inspection system for water usage is established to check equipment operations and eliminate "Running, Emitting, Dripping, and Leaking" phenomena.

Case: COSCO Kansai Companies Conduct Special "Water-Saving Awareness" Training

The companies continuously promote water-saving awareness among employees, conducting special "Water-Saving Awareness" training in May covering 180 participants. Through "Water-Saving Awareness" training, employees developed actionable skills to reduce water consumption in daily operations, further reinforcing our commitment to responsible water stewardship as a core component of our environmental strategy.



Jotun COSCO has installed initial rainwater collection facilities to process and reuse rainwater for landscaping irrigation, achieving water resource recycling. The company manages its water consumption through initiatives such as advocating for water conservation, utilising water meters for real-time monitoring, and conducting routine inspections to detect and repair "Running, Emitting, Dripping, and Leaking" phenomena. Combined with the regular maintenance of water-related equipment and facilities, these measures ensure that our water use is standardised, secure, and in full compliance with regulatory requirements.

The Shanghai Shipping Property at No. 700 Dongdaming Road, leased by COSCO SHIPPING Smart-Sailing, passed the BOMA certification, indicating standardised water resource management.

Case: Plants of COSCO Kansai (Zhuhai) Commissions Pure Water Automatic Dosing System

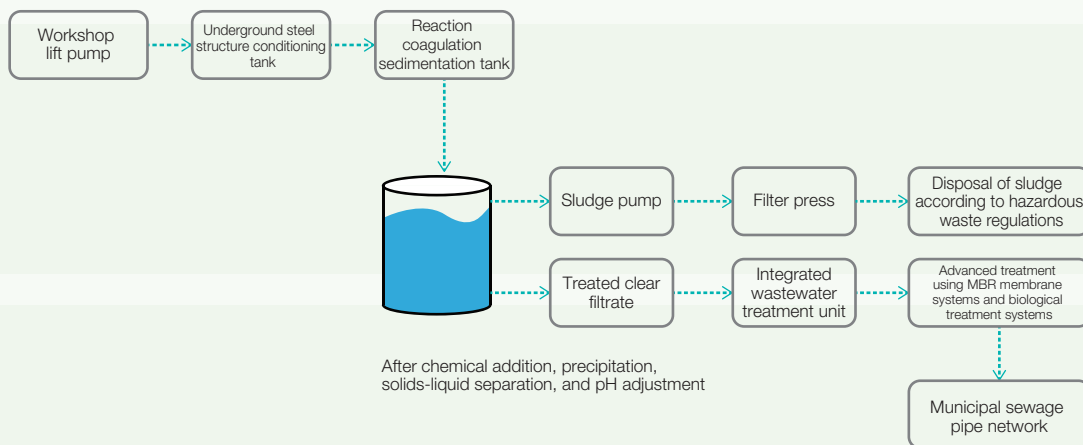
Plants of COSCO Kansai (Zhuhai) utilised "One PLC+Two Sensors" to build a cross-floor quantitative dosing architecture, locking flow accuracy at $\pm 1\%$. This not only eliminated manual recording errors but also reduced pure water waste by 60 tonnes annually. It practices green water resource conservation concepts while enhancing production efficiency and product quality.



Wastewater Management

The Group conducts quarterly monitoring and analysis of wastewater quality to ensure that discharges strictly comply with the “Integrated Wastewater Discharge Standard” and other relevant regulatory requirements. Prior to discharge, we implement full-process control and commission qualified third-party agencies to assist with wastewater treatment, further ensuring treatment effectiveness and compliance.

Regarding drainage monitoring, COSCO Kansai Companies continue to enforce a quarterly wastewater analysis system, ensuring the quality of discharged wastewater fully complies with applicable standards. Strictly following the “B44廢棄物管理規定 (B44 Waste Management Regulations)”, the companies monitor wastewater in real-time via an automated environmental monitoring platform. If anomalies in pH or Chemical Oxygen Demand (“COD”) concentrations are detected, an investigation and handling process is initiated immediately.



COSCO Kansai Companies Wastewater Treatment Flowchart

Jotun COSCO maintained the normal operation of its existing wastewater discharge management system. It kept regular monitoring frequency for rainwater and accidental water, conducted routine inspections on facilities such as rainwater valves and septic tanks, and ensured compliant discharge.

2025 Key Performance

COSCO Kansai Companies set a control standard for wastewater COD concentration below 500 mg/L. During the reporting period, confirmed by online monitoring and manual sampling, the wastewater COD concentration met the discharge standards stably.

4.2.4 Energy Utilisation

Seizing the dual opportunities of energy structural transformation and energy conservation, the Group has established a robust energy management system. Through technological upgrades, equipment modifications, and utilisation of renewable energy, we continuously improve energy efficiency and reduce energy consumption intensity. In the meantime, we actively apply for “Green Factory” and “Low-Carbon Factory” certifications to continuously promote green manufacturing and low-carbon development.

2025 Key Performance

Shanghai Plant under COSCO Kansai Companies obtained the provincial “Green Factory” qualification. Zhuhai Plant applied for national “Green Factory” qualification.

Jotun COSCO was recognised as one of the first batch of national-level “Green Factory” recognised by the Ministry of Industry and Information Technology after assessment.

Energy Management System Construction

The Group’s subsidiaries, COSCO Kansai Companies, established an Energy Management Leadership Group to coordinate daily energy management, and formulated the “Energy Management Work Guidelines”, specifying procedures for energy metering, statistics, analysis, and assessment. Furthermore, the companies established an energy consumption ledger to monthly analyse consumption trends and conducts regular energy audits to accurately identify energy-saving potential. In 2025, the company successfully passed ISO 50001 energy management system annual surveillance audits.

Jotun COSCO formulated management systems and policies related to energy utilisation, clarifying requirements for energy conservation and emission reduction.



“Green Factory” Certificate of Shanghai Plant under COSCO Kansai Paint (Shanghai)



ISO 50001 Certification of COSCO Kansai Paint (Shanghai)

Implementation of Energy-Saving Measures

In 2025, COSCO Kansai Companies continuously advanced energy-saving, carbon reduction, and green upgrades in its production systems, systematically making improvements across equipment optimisation, energy consumption control, clean production, and green product innovation. The companies retrofitted 4 energy-consuming old sand mills for energy efficiency, optimised production scheduling to achieve balanced production loads, and simultaneously promoted refined energy management by installing an energy monitoring system for real-time tracking, analyses, and optimisation of energy data. To further reduce emissions from movable sources on-site, the companies completely phased out diesel forklifts, effectively cutting down energy consumption and pollutant emissions from on-site movable sources.

Jotun COSCO has completed a comprehensive lighting upgrade across its entire facility during the reporting period, replacing traditional fixtures with energy-efficient LED systems to effectively reduce power consumption, utility costs, and overall carbon emissions. Concurrently, the company has advanced key automation projects — such as Automated Conveying and Wrapping (ACW) lines and Automated Guided Vehicles (AGVs) — which have significantly improved production efficiency. Furthermore, by upgrading the air conditioning, chilled water, and hot water systems in designated areas of the plant, these integrated measures have successfully driven a further reduction in our carbon emissions per unit of product.

Case: COSCO Kansai Companies' Energy Management Platform

COSCO Kansai Companies have implemented an intelligent energy monitoring platform to track real-time electricity and other energy consumption across all manufacturing facilities. Leveraging big data analytics, the system accurately identifies energy anomalies and conservation opportunities, enabling the management to formulate targeted optimisation strategies. Equipped with automated alert mechanisms, the platform notifies relevant departments immediately when specific energy consumption exceeds benchmarks, ensuring continuous improvement in energy efficiency and supporting the companies' steady progress toward carbon reduction goals.



In addition, COSCO Kansai Companies continuously enhanced employees' energy-saving awareness by launching the "Energy Conservation, Starting with Me" themed activities, organising seminars and essay contests, thereby transforming energy-saving concepts into conscious actions. The companies strictly implement refined energy management by setting air-conditioning temperature norms, regularly inspecting and turning off unused electrical appliances; advocating for green commuting by encouraging employees to use public transport, prioritizing low-carbon travel options for business trips, and promoting digital office alternatives for physical trips, recording fuel and energy consumption data to analyze and unlock potential energy-saving opportunities.

Jotun COSCO also carried out energy-saving and emission-reduction awareness training and promotional activities for all staff during the reporting period, strengthening energy-saving consciousness and execution across all segments — from frontline production to office, supply chain, sales, marketing, and finance.



2025 Key Performance

COSCO Kansai Paint (Shanghai) set targets for 2025 to reduce comprehensive energy consumption by 2% year-on-year and comprehensive energy consumption per unit product by 3% year-on-year. During the reporting period, the targets were successfully achieved.

In 2025, Jotun COSCO set a target for power consumption per unit of product at 50.5 kWh/tonne. During the reporting period, the company successfully achieved this energy conservation target, recording an actual power consumption per unit of product at 46 kWh/tonne.

Renewable Energy Utilisation

To actively respond to national dual carbon goals and sustainability strategies, the Group continuously promotes energy structure optimisation and low-carbon transition upgrades, guiding subsidiaries to vigorously develop renewable energy, strengthen clean energy alternatives, and apply green power, thereby continuously improving energy efficiency and low-carbon development levels.



2025 Key Performance

COSCO Kansai Companies completed a 3,500-square-meter rooftop photovoltaic power project in 2025 with an installed capacity of 358.07 kW, generating approximately 400,000 kWh of electricity annually. All power generated was used for production, reducing carbon emissions by approximately 310.54 metric tonnes annually.

Jotun COSCO actively promotes the transition to clean energy through: following the completion of photovoltaic (PV) carports in late 2024, the system generated 290,000 kWh of electricity in 2025, reducing carbon emissions by approximately 153 metric tonnes. Furthermore, by procuring 6.56 million kWh of green electricity, the company achieved a 100% green power consumption for the entire year, leading to an additional reduction of 3,479 metric tonnes of carbon emissions. In tandem with these energy initiatives, the company has fully replaced its fuel-powered shuttle buses with new energy vehicles (NEVs) and decommissioned a fuel-powered executive car, resulting in an annual reduction of approximately 0.4 metric tonnes in gasoline consumption.

Case: Grid Connection of Distributed Photovoltaic Project at Zhuhai Plant under COSCO Kansai Companies

The distributed photovoltaic project at Zhuhai Plant under COSCO Kansai Companies covers areas such as office buildings, warehouses, and carports, occupying a total area of 4,628 square meters with a total installed capacity of 620kW. The annual power generation is expected to reach 687,100 kWh, replacing approximately 206 tonnes of standard coal equivalent (tce) and reducing CO₂ emissions by 138 metric tonnes. This marks the plant’s official entry into a new green energy operational phase of “Self-generation for Self-consumption with Surplus Power Going to the Grid”.



Case: Launch of the Jotun COSCO Photovoltaic Carport Project

The Jotun COSCO Photovoltaic (PV) Carport Retrofit Project involves replacing traditional roofing with solar panels, integrated with four 20kW charging piles serving 24 parking spaces. Since its commissioning, the rooftop PV system has provided a consistent supply of renewable energy to the plant, effectively supplementing the plant’s power demands. This initiative significantly reduces the site’s carbon emission and serves as a key driver in achieving the company’s corporate carbon reduction targets.



4.2.5 Resource Optimisation

The Group insists on giving equal emphasis to efficient resource use and reuse. Centering on multiple dimensions such as production process optimisation, waste recovery, and office conservation, we continuously deepen resource optimisation measures to fully practice the concept of circular economy.

The Group's subsidiaries, COSCO Kansai Companies, formulated and implemented the “能源資源節約控制程序 (Energy and Resource Conservation Control Procedures)”, providing clear guidelines for employees to effectively utilise resources such as water, electricity, and steam during production. The management procedures cover resource metering, quota management, conservation measures, assessment, rewards and penalties, ensuring rational resource allocation. Meanwhile, the companies actively promote the recycling of packaging barrels to reduce the waste of packaging materials and increase the resource recycling rate.

Case: Commissioning of Additive Dispensing Station at Jinshan Plant under COSCO Kansai Paint (Shanghai)

The additive dispensing station at the Jinshan Plant under COSCO Kansai Paint (Shanghai) is equipped with an advanced automated weighing system that precisely regulates the addition of various additives like dispersants and thickeners. This not only significantly enhances the key properties of paints such as flowability and adhesion but also effectively avoids overflow waste caused by manual dosing and reduces direct contact with hazardous chemicals.



Jotun COSCO has established management policies and systems related to the circular economy, focusing on resource conservation and recycling during production, clearly specifying material usage requirements. During production, the company actively implements conservation measures, reducing the use of tank-cleaning water and solvents to lower resource consumption at the source. It also carries out material recycling initiatives, recovering packaging waste for reproduction and processing expired raw materials and removed paints for reuse, effectively reducing waste of resources in production. For post-sale material handling, the contractors are responsible for the subsequent disposal of relevant materials.

Case: Jotun COSCO Implements Electronic Delivery Tickets

The Qingdao Plant of Jotun COSCO implemented full-scale Electronic Delivery Tickets (EDT), replacing the traditional paper sign-off model. Customers can complete electronic sign-offs via QR codes, with data synchronized to the transportation management system in realtime. This initiative can shorten the delivery-to-invoicing process from 11 days to 3 days, reducing paper usage by 1.04 tonnes annually and reducing carbon emissions by 1.35 tonnes, driving resource conservation and environmental protection through digital transformation.



Subsidiaries such as COSCO SHIPPING International Trading continuously reduce office resource consumption by implementing simple conservation measures like turning off computers after work and double-sided printing. The company also displays posters in the office to strengthen employees' awareness of resource conservation.

4.3 Biodiversity and Ecological Protection

As an important participant in the global shipping services and manufacturing industries, the Group profoundly recognises the importance of biodiversity and ecological protection, consistently integrating ecological protection concepts into the entire business operation process. The Group and its subsidiaries strictly comply with relevant laws and regulations such as the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Soil Contamination”, and the “Law of the People’s Republic of China on the Protection of Wildlife”, ensuring that all business activities meet ecological protection requirements. In the research and development (R&D) as well as the production stages, we strictly follow the Performance Standard for Protective Coatings (“PSPC”), the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the “AFS Convention”), and the International Convention for the Prevention of Pollution from Ships (“MARPOL Convention”) established by the International Maritime Organisation (“IMO”), ensuring that coating products meet the highest environmental and quality standards. Since the implementation of GB 30981 “Limit of Harmful Substances of Industrial Protective Coatings” in 2020, we have consistently made it a primary focus, organising seminars to communicate restriction requirements to R&D teams and strictly reviewing product formulas. We strive to minimise the impact of operational activities on the ecological environment and protect biodiversity through various measures such as complying with regulations, strengthening pollution control, and safeguarding biodiversity.

Case: The Company Participated in “Hong Kong Tree Planting Day 2025”

On 22 March, the Company’s Recreation Club organised 17 employees and their families to participate in the “Hong Kong Tree Planting Day 2025” event held at Tai Tong, Yuen Long. Teaming up with nearly 2,000 people from all walks of life in Hong Kong, they collaboratively planted 5,000 native saplings, supporting Hong Kong’s ecological construction with actions.



Regarding soil environmental management, we strictly implement the main responsibility for soil pollution prevention and control. COSCO Kansai Companies and Jotun COSCO signed the “土壤污染防治責任書 (Letter of Responsibility for Prevention and Control of Soil Pollution)”. In 2025, COSCO Kansai Companies regularly conducted soil monitoring and submitted the Annual Soil Environment Self-Monitoring Report to local government departments, proactively accepting supervision to prevent soil pollution risks.

Jotun COSCO undertook assessments in accordance with the “中遠佐敦土壤自行監測方案 (Jotun COSCO Soil Self-Testing Scheme)” to monitor potential soil pollution risks.

Case: National Standard GB/T 6822-2024, Co-Drafted by Jotun COSCO, Officially Implemented

The national standard GB/T 6822-2024 “船體防污防銹漆體系 (Anti-fouling and Anti-rust Paint Systems for Ship Hulls)”, which Jotun COSCO participated in drafting, was officially implemented on June 1, 2025. The standard details product classifications, requirements, and testing methods for anti-fouling and anti-rust systems for steel ship hulls, which helps enhance vessel durability and operational efficiency while reducing marine environmental pollution caused by coatings.

In terms of marine ecological protection, Jotun COSCO continues to promote fuel-saving acrylic silane anti-fouling coatings. Its silicone self-polishing anti-fouling coating, SeaQuest Endura, has a low content of anti-fouling inhibitors and zero impact on the marine environment, effectively protecting marine biodiversity. Jotun COSCO persists in continuously optimising the eco-friendliness of its products, contributing corporate strength to marine ecological protection.

To prevent any adverse impacts on regional ecosystems and biodiversity caused by hazardous chemical spills, Jotun COSCO has established a Specialised Emergency Plan for Contingent Environmental Incidents and Leakage Accident. This plan formalises end-to-end response protocols — spanning from initial detection to post-incident investigation. To ensure operational readiness, the company has strategically deployed 29 categories of emergency materials and equipment across our facilities and formed dedicated professional and volunteer response teams. The capacity-building framework includes semi-annual comprehensive training, and at least one annual site-wide drills. Furthermore, the company mandates a biennial review and update of the contingency plans and timely maintenance of emergency resources.

4.4 Green Products and Service Innovations

As an industry leader, the Group stays closely aligned with the trend of green and low-carbon development, identifying clean technology as a strategic priority for our future technological evolution. Focusing on core areas such as technological innovation strategies, intelligent manufacturing and digital transformation, and new marine energy technologies, we continuously advance the R&D of green products and innovate service models. By driving low-carbon transition through innovation, we provide customers with high-quality green solutions.

In 2024, the Group, jointly with 吉林電力股份有限公司 (Jilin Electric Power Co., Ltd.*) and 上港集團能源(上海)有限公司 (Shanggang Group Energy (Shanghai) Co., Ltd.*), established 上海吉遠綠色能源有限公司 (Shanghai JOYFuel Green Energy Co., Ltd*). Leveraging on the three parties' advantages in shipping logistics, port supply chains, and new energy production, the joint venture promotes the green transformation and sustainable development of the shipping industry, contributing to global energy transition.

COSCO Kansai Companies continue to deepen its presence in the field of eco-friendly coatings. Building on the substitution of solvent-based coatings with waterborne ones, it has further optimised product formulas to enhance environmental performance and usage efficiency. Its waterborne container coatings have passed the Environmental Product Declaration (EPD) evaluation by a qualified third-party agency, obtaining the first EPD certificate in the container coatings industry, providing customers with scientific, comparable product full-lifecycle environmental impact data.

While continuously deepening its industrial layout, Jotun COSCO's environmental strategy centers on themes such as "Energy Saving", "Emission Reduction", "VOC Emission Reduction", "Green Manufacturing", and "Intelligent Monitoring". Jotun COSCO is actively promoting smart hull monitoring and proactive cleaning technologies, such as Hull Skating Solutions (HSS/HullKeeper) and HullKeeper, while rapidly scaling the application of clean coatings within the high-growth New Energy Vehicle (NEV) sector. The company remains committed to technological upgrades in low-VOC, high-solids, and waterborne coatings, providing full-lifecycle clean technology solutions for the marine, energy, and industrial sectors, developing high-performance eco-friendly new materials such as bio-based and solvent-free systems, and advancing the application of data-driven digital clean technologies for energy conservation. The company continues to invest in relevant fields, providing solid financial support for the implementation of various green and intelligent upgrades as well as technological R&D. To expand our R&D and industrial capacity, we are investing RMB 3.5 million in the Zhangjiagang High-Performance Powder Coating R&D Center and RMB 13 million in a new energy fire-resistant powder coating expansion project, primarily targeting the electric vehicle (EV) component sector. Furthermore, the company has formulated a long-term investment plan for the intelligent and automated transformation of the production end, which will continue through 2030 and has already been implemented at our Qingdao and Zhangjiagang production bases.

To meet its strategic development needs, the Company expects to complete a capital increase to COSCO SHIPPING Smart-Sailing, and the shareholders' resolution approving the capital increase proposal has already been passed. Through this capital increase, the Company will fully support COSCO SHIPPING Smart-Sailing in becoming an industry-leading enterprise focused on the shipping services sector, providing full-lifecycle green, low-carbon and digital-intelligent solutions. It is committed to empowering industrial upgrading through technological innovation and leading the sustainable development of the industry. This strategic investment represents not only financial empowerment for the Group's shipping services segment, but also a key milestone in its future-oriented, in-depth deployment of digital and intelligent transformation as well as green and low-carbon development in the shipping industry. It marks a substantial step forward for the Company in upgrading the shipping service ecosystem.

During the reporting period, COSCO SHIPPING Smart-Sailing continuously deepened its green and low-carbon products. By utilising real-ship and new energy data, and integrating industry big data and algorithm models, it analyses initial loading and vessel sailing states to provide speed recommendations and automatically conducts energy efficiency analyses after voyages conclude. Supported by the Group's open smart ship and navigational mark data, it realises scientific measurement, digital monitoring, and visual supervision of operational vessel carbon emissions. By combining the fleet's total carbon emissions, carbon market prices, and capital costs to design models, it helps shipowners fulfill EU-ETS compliance at low cost, guides green operations, and builds an industry digital green emission reduction and carbon asset digital management platform. Its CII calculator has received certification from classification societies. Furthermore, COSCO SHIPPING Smart-Sailing cooperated with headquarters to research the status of EU Allowances (EUA) and completed the EUA platform construction plan, further perfecting the green service ecosystem.

Case: Launch of the Country's First "Production-Bunkering-Application" Tri-End Co-constructed Green Methanol Demonstration Project

On October 30, the Lishu Wind/Solar-to-Green Hydrogen Biomass Coupled Green Methanol Project, jointly invested and constructed by the Group, 吉林電力股份有限公司 (Jilin Electric Power Co., Ltd.) and 上港集團能源(上海)有限公司 (Shanggang Group Energy (Shanghai) Co., Ltd.), officially commenced excellent construction in Lishu County, Siping City, Jilin Province. This project is the country's first "Production-Bunkering-



Application" tri-end co-constructed green methanol demonstration project and a key project in Jilin Province's "Green Hydrogen+" industrial cluster. It bridges the entire industrial chain from green fuel production to vessel bunkering and shipping application, providing a closed-loop solution for green shipping. Upon completion, the project will produce 197,200 metric tonnes of green methanol annually and reduce CO₂ emissions by approximately 300,000 metric tonnes.

Case: Jotun COSCO Launches SeaQuantum X200 Anti-fouling Paint

Jotun COSCO's Hull Performance Solutions (HPS) anti-fouling paint SeaQuantum X200, based on next-generation methacrylic silane technology, was applied to the vessel 中遠騰飛 (COSCO Tengfei). It reduced the vessel's fuel consumption on its maiden voyage after dry-docking by 2.3% and decreased GHG emissions by approximately 1,118 tonnes. Since its launch, it has served over 2,000 ocean-going vessels globally, cumulatively helping Chinese customers reduce carbon emissions by over 12 million tonnes, becoming a core supporting product for the shipping industry's green transition.

Case: Jotun COSCO Launches Jotamastic Smart Pack HB Easy-Coat 1+1 Green High-Efficiency Coating

Jotun COSCO launched the new Jotamastic Smart Pack HB Easy-Coat 1+1 coating. This high-build, low-surface-treatment epoxy primer features a 1:1 volume ratio component design, allowing for quick mixing without weighing. The small 5L+5L packaging avoids waste from large barrels. The product has high solid content, with a single-coat dry film thickness reaching 200 microns — equivalent to the protective effect of two traditional primer coats — saving over 30% in labour hours. It supports application after St2-grade manual derusting and can cure between -10°C and 40°C, enhancing maintenance efficiency while reducing material waste and environmental impact.



Case: COSCO SHIPPING Smart-Sailing Launched the “Spare Parts Full Life Cycle Digital and Intelligent Solution”

Based on the concept of digital and intelligent management for the full life cycle of spare parts, COSCO SHIPPING Smart-Sailing continuously advanced the R&D of the spare parts digital and intelligent solution. The company utilises advanced digital technology, AI technology — especially large models and data elements — to continuously deepen digitalisation and intellectualisation across all links of spare parts demand, procurement, supply to vessels, and inventory management. This achieves closed-loop digital and intelligent management of spare parts, reducing procurement costs, optimising vessel inventory structures, and improving usage efficiency. In 2025, the company launched core digital and intelligent products such as predictive maintenance for key vessel equipment, spare parts demand prediction, and large model parsing for inquiry and quotation emails, assisting shipping companies in achieving digital and intelligent spare parts management.



5. EMPLOYEE MANAGEMENT

Human capital is the Group's most valuable asset and a crucial cornerstone for building core competitiveness. We consistently adhere to a "employee-centred" management philosophy, dedicated to creating a diverse, inclusive, and vibrant work environment. We have formulated a human resources strategy based on four management principles, which are managing by regulations, establishing an open and fair system, meritocracy and placing equal emphasis on rights and responsibilities, which serve as the guiding principles for our human resources strategy.

We are committed to maintaining high quality, professionalism, and business integrity in our operations. The Group strictly complies with relevant employment rules and regulations, including but not limited to:

- "Employment (Amendment) Ordinance 2022" (Hong Kong);
- "Employees' Compensation Ordinance" (Hong Kong);
- "Labour Law of the People's Republic of China";
- "Labour Contract Law of the People's Republic of China";
- "Provisions on Prohibition of Child Labour";
- "Law of the People's Republic of China on Protection of Disabled Persons";
- "Trade Union Law of the People's Republic of China";
- "Special Rules on the Labour Protection of Female Employees"; and
- "Implementation Measures for Paid Annual Leave for Employees of Enterprises".

During the reporting period, there was no non-compliance of the above rules and regulations in relation to the Group's employee management.

5.1 Labour Standards

The Group is committed to upholding human rights and labour rights, striving to provide a safe, healthy, fair, and respectful work environment for the Company's full-time employees, contractors, and others. We strictly abide by national laws and regulations as well as relevant provisions of our parent company, support and uphold the International Labour Organisation (ILO) Core Conventions and associated standards resolutely implementing policy requirements regarding elimination of child labour and forced labour, anti-discrimination and anti-harassment, freedom of association, and collective bargaining. Any form of forced labour, disguised forced labour, restriction of employees' personal freedom, or forcing employees to work overtime is strictly prohibited, while we commit to providing a living wage and job security for all employees. We expressly forbid discrimination and harassment based on gender, age, ethnicity, race, religion, disability, marital status, nationality, or any other aspects.

Furthermore, we support trade unions in carrying out their work in accordance with the law and have established collective bargaining mechanisms. The Company and the union conduct equal consultations on matters such as remuneration, benefits, and working conditions, safeguarding employees' legitimate rights and statutory rights such as the right to rest and vacation, the right to labour remuneration, and the right to occupational health and safety.

During the reporting period, we did not have any acts that violated the employees' rights.

To eliminate child labour and forced labour, we have established a compliance review mechanism throughout the recruitment process. We strengthen management by strictly verifying identity information, conducting full-coverage background checks, perfecting onboarding registrations, establishing employee onboarding information files, and simultaneously controlling and supervising outsourced labour, conducting regular employment checks. The Human Resources Department verifies candidates' basic information (such as age); upon hiring, employment contracts are signed with new employees to ensure that they understand the relevant employment terms and clarify the employment relationship.

If any violations regarding child labour or forced labour are discovered, we will immediately investigate and suspend the work of relevant personnel and establish a special investigation team to verify the facts. If child labour is confirmed, we will immediately contact the child's guardian, arrange for their safe return, report to the local labour security department as required by national regulations, and cooperate with government departments in handling the matter. If forced labour is confirmed, we will immediately terminate the relevant violating arrangements, safeguarding the employee's personal freedom and legitimate rights; responsible persons will be severely disciplined, with minor cases receiving demerits or demotions, and severe cases resulting in employment contract termination and referral to judicial authorities. Furthermore, we will thoroughly analyse the causes of the violations, improve recruitment and employment management processes, close management loopholes, include the rectification status in the company's compliance management files, and conduct regular re-examinations.

Additionally, we integrate human rights training into our core employee training content. In 2025, COSCO SHIPPING International Trading organised company-wide learning sessions on labour laws and regulations, and occupational safety, as well as training for management on human rights management responsibilities, risk prevention, and violation handling to enhance management's human rights awareness and capabilities.

5.2 Equal Employment

The Group firmly implements diversity and inclusion policies, dedicated to creating a fair and just workplace ecosystem. In terms of recruitment, promotion, and career development opportunities, we treat everyone equally and scientifically set job qualifications, ensuring every employee receives full respect and fair treatment regardless of gender, age, family status, race, religion, nationality, sexual orientation, or disability status.

To standardise the recruitment process, the Group has formulated standardised recruitment practices and a comprehensive employment regulatory system, including the “境內員工招聘管理實施細則 (Implementation Rules for the Management of Domestic Staff Recruitment)”, “境外員工招聘管理實施細則 (Implementation Rules for the Management of Overseas Staff Recruitment)” and “僱員多元化政策 (Workforce Diversity Policy)”. We regularly evaluate recruitment quality across multi-dimensional indicators, including new employee performance, turnover rates, and hiring department satisfaction, continuously optimising recruitment strategies to improve talent acquisition efficiency and quality.

In 2025, the Group actively expanded talent acquisition channels and deeply engaged in campus recruitment activities. We successively held autumn campus recruitment fairs at top universities in Mainland China, such as Peking University, Tsinghua University, Renmin University of China, Shanghai Jiao Tong University, Tongji University, and South China University of Technology. We also actively communicated with local universities in Hong Kong, including the University of Hong Kong, the Hong Kong University of Science and Technology, and the Hong Kong Polytechnic University, to explore establishing special scholarships to attract outstanding young talent. Furthermore, the Group further innovated school-enterprise cooperation models, carrying out high-level talent exchange and cultivation to identify more outstanding young talents and provide them with career development platforms.

The subsidiaries also implement precise measures based on strategic needs. COSCO Kansai Companies focus on key areas such as digitalisation, technological innovation, green and low-carbon initiatives, and advanced manufacturing, systematically increasing the admission ratio of masters and doctors in science and engineering. It has built a multi-channel recruitment system to precisely attract talent via open recruitment, targeted talent acquisition, and talent-referring-talent methods across online and offline platforms.



2025 Key Performance

The Group newly recruited and onboarded over 40 employees.

The Group has approximately 20 employees from ethnic minority groups in China.

Case: The Company Participated in the City University of Hong Kong (CityUHK) Career Expo 2025

On February 25, the Company participated in the City University of Hong Kong Career Expo 2025. The “Victoria Harbour Spark · Illuminating Dreams” recruitment booth received enthusiastic responses, and attracted a large number of CityUHK graduates to make active enquiries and applications. Through poster displays, promotional brochures, and face-to-face communication, we briefly introduced the Company’s strategic development positioning as an “Overseas Industrial Capital Investment Operation Platform” and a “Green Digital Smart Shipping Service Platform,” and answered students’ questions regarding the management trainee programme and career development pathways.



Case: COSCO Kansai Companies Partner with Lingnan University to Launch “AI+Green” School-Enterprise Cooperation

On May 22, COSCO Kansai Companies and the Lingnan University opened a new chapter of deep integration between industry, academia, and research, jointly exploring the intelligent and green transformation path of the coatings industry driven by the dual engines of “AI+Green”. Facing the industry’s green and intelligent transformation challenges, both sides focused on AI application, green coating R&D, and joint talent cultivation. Lingnan University leverages its research advantages in AI, materials science, and environmental engineering, while COSCO Kansai Companies provide industrial scenarios to explore reducing trial-and-error costs via AI simulation experiments. This move not only breaks through industrial technical bottlenecks but also strives to cultivate talents with both AI thinking and industry experience.



5.3 Remuneration and Benefits

The Group deeply understands that competitive remuneration and benefits are key to attracting and retaining talent. We have formulated management systems such as the 直管公司工資總額管理辦法 (Measures for the Management of Total Wages of Directly Managed Companies) and 香港當地員工薪酬管理辦法 (Measures for the Management of Salaries of Local Employees in Hong Kong), providing competitive compensation packages that include base salary, performance-linked bonuses, and contributions under the Mandatory Provident Fund Scheme, achieving full coverage of performance-linked variable compensation for all employees. To further leverage the motivational effect of remuneration, we have adjusted the employee salary structure and increased the amount of position-based salaries. We have also adjusted the conditions for the year-end double pay, utilising it as an important tool to encourage employee retention.

The subsidiaries have also formulated corresponding remuneration and performance management measures. COSCO Kansai Companies revised the “薪資福利管理辦法 (Salary and Welfare Management Measures)”, comprehensively sorting out, calculating, and adjusting salary items to ensure compliance. It also formulated the “[揭榜掛帥]項目管理辦法 (Administrative Measures for 'Open Competition' Project Management)” and the “員工職業技能提升獎勵實施細則 (Implementation Rules for Employee Professional Skills Upgrade Incentives)”, achieving full coverage of variable pay linked to performance. Employees obtaining intermediate or above professional titles or skill level certificates will be rewarded, and patent application incentives are implemented based on annual performance assessments and project breakthroughs. Yuantong's year-end performance rewards are closely linked to the company's operational responsibility assessment and individual employee assessment results. COSCO SHIPPING International Trading gives special commendation rewards for outstanding backbone talents, frontline staff, and key project participants.

In addition to cash remuneration, the Group provides employees with diverse welfare benefits, including paid annual leave, sick leave, medical insurance, medical benefits, social insurance, continuous education opportunities, and training allowances. We also provide extra leave options such as paid marriage leave, maternity leave, paternity leave, and bereavement leave as needed, and set up people caring programs like gift items on certain statutory holidays, employee birthday greetings, and retiree souvenirs. COSCO SHIPPING International Trading persists in implementing flexible working hours, allowing departments to flexibly determine the times for employees to report duty within stipulated periods to promote work-life balance.

In 2025, various subsidiaries made significant progress in welfare enhancements. For instance, COSCO Kansai Companies proactively followed up on Shanghai Municipality's talent introduction and settlement policies, assisting employees in resolving settlement and residence permit point issues, and applied for reductions in disabled employment security funds, one-time job expansion subsidies, and social security fee subsidies for university graduates, securing tangible benefits for employees.

Case: The Company Held the “Golden Snake Auspiciousness, Shipping Prosperity” Lantern Festival Tea Party

On February 13, during the traditional Lantern Festival, the Company held the “Golden Snake Auspiciousness, Shipping Prosperity” 2025 Lantern Festival Tea Party. In addition to performances, the gaming session arranged games that in both Cantonese and Putonghua balanced Mainland China and Hong Kong cultural characteristics. The Group, for the first time, co-host fun question games with subsidiaries. Classic games like musical chairs and balloon defence were also played. This not only provided employees with an occasion to relax and experience traditional culture but also effectively enhanced the Company's team cohesion and team spirit.



Case: The Group's Subsidiaries Held International Women's Day Themed Activities

To celebrate the International Women's Day, the Group's subsidiaries held a variety of themed activities. For example, Shenzhen COSCO Insurance presented holiday greetings and flowers to all female employees and meticulously planned and hosted a warm and meaningful handicraft workshop.



Female employees of COSCO SHIPPING Ship Trading, experienced the art of Tufting, carefully weaving colourful yarns into various personalised patterns to create unique rugs, throw pillows, and other creative works.

5.4 Employee Training and Development

Ensuring employees receive necessary training and knowledge is the source of power for the Group's sustainable development. To enhance staff capabilities and equip them with relevant skills and expertise, we have developed a comprehensive set of guidelines known as “專業人才庫建設管理辦法 (Management Methods for Setting up of Professional Talent Pool)”. The Group offers a well-structured leadership development program, which is managed and overseen by a professional team under the leadership of the Human Resources Division. We regularly evaluate our talent pool across different business and industry sectors. To foster the growth of high-calibre talents, we have an incentive mechanism in place that offers bonuses and professional development opportunities, such as training courses, academic conferences, and exchange programmes.



2025 Key Performance

The Company implemented special learning tasks via online platforms and professional websites like the China Executive Leadership Academy Network, achieving the target of 50 hours of online training for all employees.

COSCO Kansai Companies set their annual target training hours of 46,124 hours and completed it ahead of schedule in November.

COSCO SHIPPING International Trading conducted various training sessions for over 150 participants cumulatively, with total duration exceeding 2,000 hours and an average of over 70 hours per person, achieving a 100% employee training coverage rate.

5.4.1 Training System

To foster a continuous learning culture, the Group has established a comprehensive training and development system for all full-time and part-time employees, comprising four main categories:

- **Induction training:** All new employees are required to undergo comprehensive induction training to understand the Group's corporate strategic planning, organisational structure, policies and systems. The training focuses on our occupational health and safety standards, operating procedures and staff responsibilities to ensure that new employees can quickly integrate into the team and have a clear direction of work. In 2025, the Group organised a centralised orientation program for new campus recruits. The training covered corporate culture, departmental responsibilities, sandbox simulations, and professional skills, designed to help new hires quickly transition into their roles and gain a deep understanding of our business operations.
- **Regular assessment:** The Human Resources Division regularly collects the training needs of various divisions and formulates training plans based on the actual situation of the Company. When necessary, we will engage relevant experts and professionals to conduct training courses and give presentations so that our staff can keep up with the times and perform their duties.
- **Regular training:** We will organise occupational health and business training regularly to raise employees' occupational health awareness and business capabilities.
- **External training programs:** We encourage employees to actively pursue self-improvement and support them in upgrading their educational qualifications.

The subsidiaries have also established distinctive training systems based on their characteristics and conducted various training programs during the year. For example, COSCO Kansai Companies conducted intensive or specialised training for middle management personnel, organising 10 promotion training sessions throughout the year. They also collaborated with the Information Management Department to launch a “Work Sharing” module on the Weaver system, uploading 10 articles of work experience sharing and training materials from middle management. The company also organised leadership training through cadre secondment exchanges and post-appointment training after open recruitment, enhancing cadres’ leadership talents and management capabilities. External training and study programs included R&D personnel study trips to Japan, government-funded training courses, and professional technical title training.

The Group also supports employee self-improvement and has established a continuing education support system covering all full-time and part-time employees. For employees participating in education and academic qualification upgrades closely related to their positions, or applying for intermediate vocational qualifications or professional titles above the intermediate level, a certain proportion of educational expenses can be reimbursed in accordance with the “員工管理辦法 (Employee Management Measures)”, “教育培訓管理辦法 (Education and Training Management Measures)”, and the “僱員多元化政策 (Workforce Diversity Policy)”, to support their career development.

COSCO Kansai Companies encourage employee self-improvement and provide support for degree programmes and certifications. Responding to the Group’s special work on reforming the cultivation of engineering master’s and doctoral students, the companies coordinated and organised employees to participate in part-time doctoral and other degree education, providing application guidance and related support. Employees who have obtained intermediate or above social titles or skill level certificates closely related to their positions will be rewarded. The companies also assist employees in applying for professional technical titles, reviewing and submitting application materials for senior and intermediate professional titles.

COSCO SHIPPING International Trading continuously encourages all employees to pursue self-improvement and continuing education. It provides a certain proportion of financial support for employees participating in special training, academic qualification upgrade education, intermediate and above title evaluations, and vocational qualification certificate examinations that are closely related to their current positions or the company’s transformation.

Case : The Company, in Collaboration with COSCO SHIPPING Talent Development Academy, Hosted a Special Training Course on Executive Comprehensive Management

On March 31, the special training course on executive comprehensive management held at the Shanghai Branch of the COSCO SHIPPING Talent Development Academy, with 47 trainees participating. The 3.5-day training course was designed closely around practical needs, covering core modules such as interpreting the spirit of the Central Eight-Point Regulation, enhancing executive and management efficiency, financial risk control strategies, cybersecurity protection, and cross-departmental collaborative communication. Through expert lectures and case studies, the training assisted trainees in achieving a “double leap” in business capabilities and team collaboration, providing a solid guarantee for realising the Company’s strategic goals. This training also pioneered an innovative model where trainees served concurrently as instructors, strengthening integration and communication between instructors and trainees and enhancing training effectiveness.

Case: The Group Held its First AI Application Training

On April 3, to implement the deployment of the “AI+” special action and strengthen the Company’s AI application level and capabilities, the Group held its first AI application training. The training utilised a hybrid model of on-site and online sessions across three venues in Hong Kong, Beijing, and Shanghai, with nearly 300 employees participating. The training content closely revolved around the practical application of AI technology in daily business, covering multiple core business areas. The professional instructor team presented AI principles and application technologies in an easy-to-understand manner through case analyses, practical demonstrations, and theoretical explanations in easy terms, helping trainees quickly understand and master practical skills for using AI tools in their daily work. This training not only enhanced employees’ digital literacy but also demonstrated the Company’s proactive determination amidst the industry’s digital transformation wave.



5.4.2 Employee Promotion

The Group fully recognises that employees are the core driving force for sustainable corporate development. Therefore, we are committed to building clear and diverse career development pathways. Through a comprehensive internal promotion mechanism and professional skill training, we provide employees with dual opportunities for horizontal expansion and vertical promotion.

We have developed a comprehensive set of guidelines known as “專業人才庫建設管理辦法 (Management Methods for Setting up of Professional Talent Pool)” and a well-structured leadership development program which is managed and supervised by a special team under the Human Resources Division. We regularly assess the talent pool across different industries and business sectors. In order to foster the growth of exceptional individuals, we have also instituted an incentive mechanism that includes bonuses, training courses, academic conferences and exchange programs.

In 2025, COSCO Kansai Companies formulated and revised a number of policies related to employee promotion, including the “員工職業技能提升獎勵實施細則 (Implementation Rules for Employee Vocational Skill Improvement Rewards)”, “內部技術職稱評聘管理辦法 (Administrative Measures for Internal Technical Title Evaluation and Appointment)”, and “幹部選拔、考評和任用管理辦法 (Administrative Measures for Cadre Selection, Appraisal, and Appointment)”. They have built a complete employee development system, clarifying requirements for vocational skill improvement rewards, position rotation, project breakthroughs, title evaluation, and cadre training, and set clear employee promotion pathways to provide institutional guarantees for employee development. Furthermore, COSCO Kansai Companies have established a linked mechanism between doctoral degrees, social titles, and internal technical title levels; revised the internal technical title evaluation and appointment management measures; conducted annual level assessments for technical services; and formulated the “員工崗位交流實施細則 (Implementation Rules for Employee Position Exchange)” to promote employee job rotation.

Building on the original “Management Sequence+Business Sequence” dual-track employee promotion channel, COSCO SHIPPING International Trading further studied on providing diversified career planning and development paths for employees, explored the feasibility of cross-sequence exchanges, and arranged transfers based on employee merits and strengths. Concurrently, the company provided training support for employees undergoing cross-sequence development. Additionally, the company conducts post adjustment assessments annually based on employee performance appraisal results and actual performance, in accordance with relevant system regulations, ensuring fair, open, and just promotion channels.

5.5 Employee Well-being

5.5.1 Employee Communication

The Group firmly believes that establishing open and transparent communication channels is the cornerstone for cultivating mutual trust and respect among employees. To this end, we actively collect employee opinions and feedback through diversified platforms. In accordance with the “合理化建議獎勵實施辦法 (Implementation Measures of Awards for Reasonable Recommendations)”, we encourage employees to proactively propose constructive improvement proposals to management and provide rewards for suggestions if adopted. To ensure suggestions yield tangible benefits for the Group, we established a dedicated proposal review panel responsible for assessing the feasibility and value of each suggestion, and giving corresponding financial rewards to employees whose suggestions are rated excellent, aiming to foster an open communication culture and a highly transparent corporate atmosphere.

To further strengthen the employee communication mechanism, the Group has put a dedicated human resources email address on the intranet homepage as an official channel for employees to regularly raise queries and concerns. The Human Resources Division is responsible for collecting relevant emails and forwarding them to the corresponding functional departments for timely handling, ensuring employee opinions are adequately valued and necessary follow-up actions are taken regarding employee well-being.

The Group's subsidiaries have also established multi-dimensional communication mechanisms. For example, COSCO Kansai Companies conduct anonymous employee satisfaction surveys via the Weaver system, allowing employees to freely express their opinions and suggestions regarding corporate management, remuneration and benefits, career development, and the work environment through online channels. The Human Resources Division will thoroughly analyse the feedback results and prepare a report for communication during the mid-year meeting, and subsequently formulate optimisation measures targeting the issues raised. Additionally, the companies have a “Listening Day” every month as a regular employee feedback channel. The 2025 survey results show high overall employee satisfaction, with the majority acknowledging talent cultivation, welfare guarantees, and development prospects. Targeted optimisation measures have been formulated in response to some employees' requests for refining promotion channels and optimizing work processes.

COSCO SHIPPING International Trading has established multi-level and multi-format communication channels, including holding regular employee symposiums and creating an issue ledger specifying rectification responsibilities and deadlines; regular face-to-face communication with the Administration and HR Department and persons-in-charge; and setting up an “Employee Suggestion Box” with regular checks and publicising of feedback results. In 2025, the company conducted communication, exchange, and opinion collection covering all active employees regarding corporate strategy, remuneration and benefits, and career development, and formulated rectification plans based on the survey results for implementation.

5.5.2 Employee Care

The Group is committed to promoting work-life balance for employees, comprehensively enhancing their physical and mental health and overall well-being. We regularly organise diverse cultural, recreational, and sports activities to enrich employees' leisure lives, promote physical and mental health, and simultaneously strengthen communication and team cohesion across departments, thereby improving work efficiency and a sense of belonging.

In response to the Hong Kong Government's active encouragement of corporate breastfeeding-friendly workplace policies, the Group has partnered with the Hong Kong Committee for UNICEF since 2020 to join the "Say Yes to Breastfeeding" campaign. We set up a "breastfeeding-friendly workplace" at the company headquarters, equipped with tables, chairs, tissues, power outlets, and a refrigerator for storing breast milk, providing a suitable and friendly environment for employees who need to breastfeed, allowing mothers to prepare breast milk in a safe and hygienic place. In 2025, the Company joined the UNICEF "Champions for Children" Corporate Membership Scheme, obtaining pure silver membership status and receiving a letter of appreciation, demonstrating the Company's active creation of a breastfeeding-friendly work environment and practical fulfillment of its employee care responsibilities.



In 2025, the Group and its subsidiaries organised multiple exciting activities to enrich employees' leisure lives and cultivate their sentiments.

Case: COSCO SHIPPING Hong Kong-stationed Units Held the 2025 Employee Sports Day

On November 19, the 2025 Employee Sports Day for COSCO SHIPPING units stationed in Hong Kong was held at Siu Sai Wan Sports Ground, with employees and family representatives participating. The sports events were rich and diverse, covering track and field events such as the 100m to 1,500m runs, relays, long jump, high jump, and shot put, as well as fun competitive events like the three-legged race, basketball shooting, and team tug-of-war. The event fully showcased the sportsmanship of COSCO SHIPPING people — striving for progress, uniting, and cooperating — and further enhanced the cohesion and centripetal force of the units stationed in Hong Kong.



Case: The Company Opened an Acrylic Painting Interest Class

Starting from April 2, an acrylic painting interest class organised by the Company's fellowship association officially began. The course lasted for half a year and attracted nearly 30 colleagues who actively signed up. During the class, the teacher introduced relevant knowledge and the creative process, and demonstrated landscape painting. Colleagues diligently copied and injected their own creativity. Participating employees noted that the one-hour art creation every Wednesday noon not only served as "spiritual nourishment" and a recharge but also deepened interactive communication among colleagues. Using art creation as an opportunity, this activity enhanced employees' cultural literacy and tangibly strengthened company cohesion.



5.6 Occupational Safety and Health

We deeply understand that safety is not only the baseline of compliance but also the most solemn commitment to every employee and their family. The Group strictly abides by the safety production responsibility system of “Share Responsibilities in One Post, Joint Management and Accountability for Delinquency”. We deeply implement the core principle that “Safety as an Essential Component in Managing the Industry, Business and Production and Operation”. We have formulated a set of safety production and supervision management rules, constructing an all-around, multi-level occupational health and safety management system. We are committed to building a zero-accident safe working environment and promoting high-quality corporate development through continuously optimising management structures, accurately identifying risks, strengthening training and drills, and perfecting emergency mechanisms.

We comply with all relevant safety laws and regulations in Mainland China and Hong Kong, including but not limited to:

- “Work Safety Law of the People’s Republic of China”;
- “Fire Protection Law of the People’s Republic of China”;
- “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”;
- “Safety Specifications of Special Work in Hazardous Chemicals Enterprises of the People’s Republic of China”;
- “General Rules for the Hazardous Chemicals Warehouse Storage of the People’s Republic of China”;
- “Provisions on the Administration of Occupational Health at Workplaces”; and
- “Occupational Safety and Health Ordinance” (Hong Kong).

During the reporting period, the Group did not violate any laws and regulations related to occupational health and safety.

5.6.1 Safety Management Structure

We regard the physical and mental health and operational safety of our employees as the cornerstone of sustainable corporate development. To ensure the effective implementation of our occupational health and safety policies, we established a Safety Committee in 2006 as the highest safety decision-making and supervisory body. Led by a Director of the Group, the Safety Committee is composed of senior management from multiple headquarters departments, including Human Resources Division, Financial Management Division and Audit & Supervision Division, who act as members to supervise safety production matters. The main duties of the Safety Committee are as follows:

- Supervise safety issues, formulate overall production safety plans and provide guidance to the Group on production safety;
- Review and determine the Group’s annual production safety targets, put forward suggestions on main production safety measures and solve major production safety problems; and
- Monitor the key progress of the Group’s production safety program and provide relevant recommendations.

The Group’s subsidiaries have also established corresponding safety management structures based on their business characteristics to ensure responsibilities are assigned to individuals. For instance, the General Manager of COSCO Kansai Companies acts as the primary person responsible for the company’s occupational health and safety management, with the Safety Management Department executing specific tasks. COSCO SHIPPING International Trading further optimised the composition of its Safety Committee this year, with the General Manager serving as the Director, the Deputy General Manager in charge of safety as the Deputy Director, and members expanded to include department heads and key personnel. Supervisory responsibilities were clearly extended to core areas such as occupational health management, occupational disease prevention, and employee safety training supervision, with the Safety Committee auditing and supervising safety and occupational health work. COSCO SHIPPING Smart-Sailing further perfected its safety responsibility system by establishing a Safety Committee and setting up three special working groups: “Thunder Action”, “Work Safety Month”, and “Typhoon and Flood Prevention”. It clarified safety management departments and part-time safety officers, directly linking safety assessment indicators with departmental performance via “Safety Production Responsibility Statements”, achieving tiered compaction of safety responsibilities.

Furthermore, the Group has established a robust safety incident reporting and investigation mechanism, strictly implementing an accountability system that defines specific responsibilities for each person in charge. Once a safety incident occurs, relevant personnel must immediately report it to the heads of their respective departments, notify the Safety Committee Office within 60 minutes, and submit a detailed and comprehensive incident report. Upon receiving notification, the Safety Committee Office conducts a meticulous and in-depth investigation of the incident, subsequently reporting the findings to the Group's Safety Committee. Concurrently, depending on the severity of the incident, the Group dispatches a specialised investigation team to conduct an internal investigation; if necessary, internal and external experts are invited to participate, deeply analysing the root causes of the incident and evaluating the losses. Leveraging their professional knowledge, experts assist in identifying responsible parties and propose highly valuable recommendations for risk reduction.

In terms of the accountability system, depending on the severity of the safety incident, involved employees may undergo warning interviews or admonishment talks. If an employee conceals, delays, or omits a report, or fails to prove immediate and sustained improvement efforts, the employee will face corresponding disciplinary action.

5.6.2 Safety Risk Identification

Adhering to the safety management guiding principle of "Safety First, Precaution as Crucial and Consolidated Governance", the Group implements full-process safety risk identification and control through institutionalised and standardised means. The Group headquarters completed the revision of the Regulations on the "生產安全事故隱患排查治理管理規定(並用) (Regulations on the Management of Potential Hazards in Production Safety Accidents (Combined Use))" in 2022 and formulated the "安全生產風險管理規定(並用)(Regulations on the Management of Production Safety Risks (Combined Use))" to ensure effective control of hidden safety dangers and implementation of risk controls. Before implementing the preventive measures listed in the Occupational Health and Safety Manual, the management team conducts a comprehensive inspection and assessment of potential OHS risks.

Since 2012, the Group has implemented the Safety Management Self-Assessment System (SMSA), which was formulated in accordance with the national safety technical standards for the coating industry, including "中華人民共和國安全生產法 (Law of the People's Republic of China on Work Safety)", "塗裝企業安全生產標準化實施指南 (Guidelines for Implementation of Production Safety Standardisation of Coating Enterprises)" and "塗料生產企業安全技術規範 (Safety Technical Specification of Coating Production Enterprises)" for evaluating the effectiveness of safety measures for companies engaging in the coating business. The SMSA monitors 10 crucial safety management dimensions, which mainly include governance structure, risks and environmental factor control, and uses the Likelihood Exposure Consequences method for inspection every six months. If any potential hazards are identified in the inspection, the relevant divisions should formulate corrective measures or remedial actions within the prescribed time limit. In terms of actual implementation, we organise the compliance evaluation team to review the compliance with laws and regulations, corporate commitments and contracts by comparing records, meetings and discussions according to the evaluation plan every year.

Among the Group's subsidiaries, the businesses of COSCO Kansai Companies and Jotun COSCO primarily involve manufacturing activities, which are highly susceptible to safety risks. Therefore, COSCO Kansai Companies conduct regular occupational health and safety risk identification. This year, the companies updated the "危險源辨識與風險評價控制程序 (Hazard Identification and Risk Assessment Control Procedures)", expanding the identification scope to all workplaces (including office areas and production sites) and all personnel (including internal employees and external workers), covering production operations, management activities, and technical service sites, aiming to identify and control OHS risks early on, thereby further mitigating risks.

Jotun COSCO conducts ongoing daily and periodic risk identification in accordance with the “風險分級管控程序 (Risk Classification and Control Procedure)” and the “職業健康危害因素矩陣 (Occupational Health Hazard Factor Matrix)”. These activities include: identification of occupational disease hazards at specific job positions; risk assessment for hazardous chemical operations; risk classification and control using the four-colour early warning system; and risk identification for special operations involving equipment, hot work, confined spaces, and working at height.

5.6.3 Safety Management Measures

The Group consistently prioritises the protection of employees’ lives, health, and safety as a critical foundation for sustainable corporate development. We are committed to protecting the safety and well-being of workers throughout the entire corporate operational process. We continuously evaluate our performance in occupational health and safety, regularly reviewing and updating internal OHS targets annually, evaluating internal OHS objectives, and making necessary adjustments as needed.



2025 Key Performance

COSCO Kansai Companies achieved its annual occupational health and safety targets: 0 serious injury or fatality incidents; general injury incidents ≤ 1 case/year; 0 fire (explosion) incidents; 0 occupational diseases; 100% pass rate for occupational hazard factor testing in the workplace; 100% pass rate for employee safety education and training; 100% certified rate for special operation personnel; 100% integrity rate of special equipment; 100% rectification rate for hidden dangers.

Jotun COSCO has achieved zero major casualty accidents, zero major fire incidents, and zero major equipment accidents. The workplace injury rate has remained below the threshold required by the Group, and full coverage of occupational disease hazard exposure control measures has been achieved within the year.

COSCO SHIPPING International Trading achieved its annual occupational health and safety targets: 0 occupational fatality incidents; 0 major fire/traffic/equipment incidents; 0% work-related injury rate; 0% occupational disease incidence rate; 100% completion rate for safety hazard rectifications.

Production Safety in Manufacturing Plants

As a responsible employer, we always treat employee safety as our top priority, striving to enhance employees’ profound understanding of the critical significance of safe operational procedures to build a solid employee safety defense line. For subsidiaries involved in manufacturing activities, the Group adopts stricter control measures, constructing a comprehensive safety production management system, dedicated to creating a safe, healthy, and harmonious work environment for plant employees. In 2025, the production facilities of COSCO Kansai Companies and Jotun COSCO continued to hold the ISO 45001 standard certification.



ISO 45001 Certificate of
COSCO Kansai Paint (Shanghai)



ISO 45001 Certificate
of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd.

In daily operations, we require factories to formulate comprehensive control measures to monitor height-related engineering controls and personal protection. We consistently place production safety first, ensuring the safe production of the factory and the personal safety of employees through a series of initiatives. We have formulated the “職業健康及安全手冊 (Occupational Health and Safety Manual)” to avoid and manage preventable workplace accidents. Moreover, we have developed the “職業健康及安全風險控制指南 (Occupational Health and Safety Risk Control Guide)”, detailing how to protect employees from various hazards such as chemicals, dust, noise, high temperatures, unsanitary conditions, and manual lifting.

In 2025, COSCO Kansai Companies implemented special work permits, requiring operations to obtain a work ticket before proceeding, ensuring work is conducted under supervision. Additionally, the companies formulated a detailed annual training plan, organising safety production training and occupational health and hygiene thematic training, as well as conducting factory-wide emergency drills covering all employees to enhance safety awareness and operational skills. The companies also arranged occupational disease physicals and health check-ups for employees across regions, providing timely feedback and adjustments for abnormal results.

This year, COSCO SHIPPING International Trading implemented comprehensive safety management measures surrounding employee production safety across four major aspects: on-site control, equipment management, operational norms, and supervision & inspection:

- **On-site Control:** Implementing zoning management in production areas, installing clear safety warning signs; setting up guardrails and emergency aisles in high-risk operation areas, and equipping them with emergency rescue apparatus.
- **Equipment Management:** Establishing a full-lifecycle safety management system for equipment. All production equipment undergoes regular maintenance, servicing, and testing, with safety archives created to record testing and maintenance details in detail, ensuring safe equipment operation.
- **Operational Norms:** Clarifying approval procedures, operational standards, and safety protection requirements for special operations such as hot work, confined space operations, working at heights, and temporary electricity use. Operations are prohibited without approval.
- **Supervision & Inspection:** Maintaining regular supervision and inspections. The company’s Safety Committee conducts a comprehensive inspection quarterly, while the safety management department conducts regular on-site patrols.

Case: COSCO Kansai Zhuhai Plant Held Fire Safety Training

On 23 June, to tangibly enhance employees’ fire safety awareness and strengthen their ability to respond to fire emergencies, the COSCO Kansai Zhuhai Plant organised fire safety training. At the training site, colleagues from the safety department detailed the usage methods and applicable scenarios of dry powder and foam fire extinguishers to the employees, and provided standardised demonstrations, allowing employees to intuitively grasp the operating essentials. During the practical drill segment, employees took turns operating the dry powder and foam extinguishers, aiming at the simulated fire source to perform extinguishing operations. Through hands-on practice, employees deepened their understanding and mastery of fire equipment usage, strengthening their fire safety awareness.



Case: Group Management Conducted Safety Inspection at COSCO Kansai Zhuhai Plant

On 22 August, the Group's management personnel went to the COSCO Kansai Zhuhai Plant for a safety production inspection. They went deep into key safety production areas such as production workshops, tank farms, and warehouses, conducting a meticulous and in-depth understanding and inspection of production processes, equipment maintenance, safety risk control, frontline employee operational norms, and safety education and training. They listened to thematic reports regarding the company's basic situation, safety production management work, and the rollout of the "Safety Production Thunder Action", and proposed specific requirements for the factory's safety management work.



Occupational Health and Safety in the Workplace

While our Group's staff of non-production operations (including the ship trading agency services, the insurance brokerage services, and the supply of marine equipment and spare parts) face lower health and safety risks, the Group has always adhered to the core philosophy of "Safety First" and adopted a series of comprehensive and detailed safety initiatives, with the aim to further reduce occupational health and safety risks in the workplace.

In 2025, Yuantong conducted comprehensive special inspections and rectifications of potential safety hazards concerning aging facilities and equipment. In addition, management led regular monthly inspections of company vehicles and office fire facilities to ensure production and operational safety. COSCO SHIPPING Smart-Sailing deepened hazard inspection work this year, implementing a three-tier mechanism of "employee self-check+departmental patrols+company inspection." It conducted inspections targeting new office locations, special "Thunder Action" inspections, and seasonal inspections. Simultaneously, relying on digital platforms, an electronic hazard ledger was established, achieving full-process closed-loop management. The company also standardised the management of relevant parties, strictly enforcing admission audits for relevant parties, signing safety agreements, and conducting on-site supervision, resolutely eliminating the phenomenon of "substituting management with outsourcing".

Furthermore, the Group consistently provides employees with normalised, diversified, and comprehensive training and drills (such as fire emergency drills, solvent leak drills) to reduce work-related injuries and accidents and strengthen employee's safety awareness. Training topics cover fire safety, equipment usage, occupational hygiene, medical first aid, and on-site handling. Before new employees begin work, we also provide them with written materials outlining additional occupational health and safety matters requiring attention.

In 2025, COSCO SHIPPING Smart-Sailing carried out “Work Safety Month” and “Fire Safety Month” training, holding employee meetings in the first and second halves of the year to study safety management systems. The company strengthened tiered and classified training, organising knowledge competitions, practical training, and other activities. It optimised emergency management, clarified handling procedures, and implemented a “leadership shift+dedicated personnel on duty” system during holidays. COSCO SHIPPING International Trading conducted a total of 3 safety and fire emergency drills throughout the year, covering all employees and regions, and conducted post-drill reviews and summaries to optimise contingency plans. The company integrated occupational health and safety training as mandatory for all staff, launching 6 training programmes this year covering basic knowledge, system norms, special operation safety, fire equipment practical operation, and professional capability enhancement for management personnel. Yuantong carried out scheduled “Personal Operational and Warehouse Transport Equipment Safety Knowledge Training” and “Fire Safety Training” and organised drills, comprehensively elevating employees’ safety awareness and protective capabilities.

Case: Shenzhen COSCO Insurance Fire Control Promotion Month “Combines Learning and Practice” to Build a Solid Safety Defense Line

In November, Shenzhen COSCO Insurance organised thematic training and emergency drills, building a solid foundation for safe production by “combining learning and practice”. During the thematic training, instructors explained alarm norms, escape techniques, and other office fire safety skills, and analysed electrical violation hazards using warning videos. In the comprehensive fire emergency drill, the safety officer first demonstrated the method for wearing escape masks and detailed usage key points. Upon the alarm sounding, all personnel orderly evacuated along the designated routes to the refuge floor. Subsequently, the safety officer explained operating norms for equipment like fire extinguishers, and employees practiced the “pull, aim, squeeze, sweep” extinguishing essentials in groups, successfully putting out the simulated fire source. This series of activities strengthened employees’ safety concepts and enhanced emergency practical capabilities.



Case: COSCO Kansai Shanghai Held a Thematic Lecture on Emotional Management

On 24 June, the Labour Union of COSCO Kansai Shanghai organised a thematic lecture on emotional management. Under the theme of “Seeking Balance Between Career and Family”, a renowned psychological education expert was invited to give a lecture, with over 80 people participating. The expert profoundly yet simply guided everyone to correctly recognise the sources of various pressures and inspired the employees present to master the methods and techniques for correctly releasing pressure and effectively managing emotions, helping everyone successfully break free from workplace anxiety dilemmas to handle various challenges in work and life more calmly, promoting healthy and harmonious physical and mental development.



5.6.4 Hazardous Chemicals Management

Given that some of the Group's businesses involve the production, storage, and use of hazardous chemicals, we classify this as a top priority in safety management. We implement full-process, refined control measures to ensure risks are controllable and under control. We strictly comply with the “危險化學品安全管理條例 (Regulations on the Safety Administration of Hazardous Chemicals)” and the “危險化學品從業單位安全標準化通用規範 (General Specification for Safety Production Standardisation of Hazardous Chemical Enterprises)”, and integrate them into the Group's Safety Management Self-Assessment System (SMSA).

To reduce the risk of employees working in manufacturing plants being exposed to chemicals and hazardous substances, we adopt the “STOP” principle, which stands for “Substitution”, “Training and Precautionary Measures”, “Operations and Engineering Control”, and “Protection of Individuals”.

“STOP” Principle

Substitution

- Substitute powder with alternative materials that encompass fewer hazardous compounds or present minimal physical contact risks, such as liquids or pastes.

Training and Precautionary Measures

- Provide employees with training to enhance their awareness of the risks of using hazardous substances.
- Perform regular assessments on the exposure level of chemical substances.
- Offer risk-related health assessments to employees working in high-risk functions.

Operations and Engineering Control

- In accordance with the properties of the stored substance, adequate ventilation facilities and specified technical requirements are implemented in place.

Protection of Individuals

- Provide Personal Protective Equipment (“PPE”) to employees with high-risk exposure.
- Require employees to follow all PPE protection regulations and requirements at all times.

For hazardous chemicals prone to producing drugs or explosives, COSCO Kansai Companies have established specialised warehouses implementing “dual personnel, dual locks” management and maintain complete ledgers. All frontline personnel strictly wear anti-static clothing, gas masks, safety goggles, and other protective gear as required. In 2025, the companies implemented a safety production status evaluation for hazardous chemical control organisations, and the evaluation results met the requirements. Furthermore, the companies implemented engineering control measures such as storage zoning, enclosed transportation, and exhaust gas collection and treatment, and carried out specialised training covering safe operations, emergency handling, and risk identification for all positions.

To cope with the risk of hazardous chemical leaks, COSCO Kansai Companies formulated specialised plans such as the “危險化學品洩漏事故應急預案 (Emergency Plan for Hazardous Chemical Leak Incidents)”, clarifying the emergency organisational structure, emergency response processes, handling measures, and material guarantees, etc. for leak incidents. It stipulates that upon a leak incident, on-site personnel must report it immediately and take initial handling measures, while the emergency team must rush to the scene to handle the situation within 30 minutes upon receiving instructions, minimizing the environmental impact of the leak incident.

Jotun COSCO continues to enhance its hazardous chemicals management system by developing and implementing specialised documents such as the “化學品安全技術說明書 (Chemical Safety Technical Standard)”. At the same time, standardised operational guidelines are provided to employees to reduce exposure risks.

During the reporting period, Jotun COSCO implemented systematic management across the entire full life cycle of hazardous chemicals, including the following key measures:

- **Training and preventive measures:** All employees involved in chemical operations receive specialised training covering hazard identification, safe operating procedures, leak disposal, and emergency handling, etc. Outsourced teams and contractors are also included in the training scope to ensure consistent risk awareness.
- **Operational and engineering controls:** Hazardous chemicals at production sites are stored in strict accordance with classification management requirements. Critical areas are equipped with engineering control facilities such as leak containment bunds, local exhaust ventilation systems, and gas detectors. Chemical exhaust gas treatment facilities operate stably to ensure emissions comply with regulatory standards.
- **Personal Protective Equipment:** Dedicated PPE is provided according to the hazard classification of different chemicals, including solvent-resistant gloves, chemical protective suits, and respirators. Smart PPE dispensing cabinets have been installed to enable traceable issuance and real-time reminders.



6. BUSINESS DEVELOPMENT AND COOPERATION

The Group firmly believes that building close and mutually trusted cooperative relationships with business partners, and continuously providing excellent products and services, are the core engines driving sustainable economic growth. We are committed to building a responsible, ethical, and resilient supply chain system while placing customer satisfaction at the forefront of our operational strategy. The Group strictly adheres to various rules, regulations, and international standards, guiding our business conduct and daily operations to effectively mitigate potential risks and resolutely fulfill our commitment to business ethics. By implementing these measures, we not only ensure the integrity of corporate operations but also lay a solid foundation for the long-term sustainable development of our business.

6.1 Supply Chain Management

6.1.1 Supplier Admission

The Group views suppliers as vital strategic partners and is committed to building an eco-friendly and responsible supply chain system. Through standardised procurement processes and strict admission mechanisms, we integrate ESG factors into the full life cycle of supplier selection and evaluation, promoting sustainable development in the supply chain.

In accordance with the “採購管理辦法 (Procurement Management Measures)”, “供應商管理細則 (Supplier Management Rules)”, and relevant sustainable procurement policies such as the “招標採購管理辦法 (Tendering Procurement Management Measures)”, “非招標採購管理辦法 (Non-tendering Procurement Management Measures)”, and “特殊關聯企業管理辦法 (Special Affiliated Enterprises Management Measures)”, the Group’s subsidiaries implement standardised supplier admission mechanisms. During the selection process, we consider not only the supplier’s technical capabilities, product performance, and cost competitiveness but also their environmental protection, occupational health and safety (EHS) performance, and compliance records as core evaluation indicators. We require all suppliers to have an anti-corruption policy in place. Suppliers meeting specific standards are included in the Group’s procurement supplier database, enabling the procurement department to engage them.

During the admission review phase, COSCO Kansai Companies mandatorily require raw and auxiliary material suppliers to provide ISO 9001, ISO 14001, and ISO 45001 system certifications. In the comprehensive scoring system, these three certifications account for 10%, and only suppliers with a comprehensive score of 60 points or above can be included in the backup database. Furthermore, all suppliers are required to sign the “採購協議 (Procurement Agreement)” and “供應商行為準則聲明 (Supplier Code of Conduct Declaration)”, committing to fulfilling environmental and social responsibilities, controlling limits of hazardous substances, and ensuring labour and employment compliance.

COSCO SHIPPING Smart-Sailing built a hierarchical responsibility system that separates “decision-making, execution, and supervision”. In the basic conditions for supplier admission, “safety and environmental protection” is clearly integrated as a core indicator for the supplier’s annual evaluation, requiring suppliers to “bear product or service safety assurance responsibilities” and “have no record of legal violations in business activities”. In addition, regarding the establishment of supervision and accountability mechanisms, the company set up a procurement management group and the finance department for dual supervision, clearly stipulating accountability clauses for violations.

6.1.2 Supplier Monitoring and Communication

The Group has established a normalised supplier monitoring mechanism, conducting annual performance evaluations of suppliers through quantitative indicators covering areas such as basic qualifications, cost competitiveness, supply fulfilment, quality control, customer service, commercial innovation, and safety and environmental protection.

As part of the supplier monitoring process, we established a supplier grading table to assess and classify suppliers based on evaluation results, prioritising suppliers that excel in sustainable development. Based on the evaluation results, we provide preventive measures and improvement suggestions to suppliers and supervise their implementation to promote continuous improvement in product and service quality. If a supplier is found to have violated safety and environmental standards, engaged in bribery, or committed other improper business acts, they will face penalties, and the cooperative relationship will be terminated immediately. If the supplier takes appropriate measures to handle and resolve the issues, we evaluate the effectiveness of their measures and their willingness to resume cooperation.

COSCO Kansai Companies conduct annual evaluations of suppliers with active business. Suppliers with a comprehensive score below 60 points are placed on the unqualified supplier list, and their master data in the SAP System is frozen and marked as “disuse”; suppliers scoring ≥ 60 points are included in the qualified list.

COSCO SHIPPING Smart-Sailing constructed a full-process, closed-loop ESG assessment and regulatory system comprising “admission audit—annual inspection—daily supervision—rewards, punishments, and accountability”. It clarified the organisational structure, process standards, and division of responsibilities, directly linking audit results with supplier cooperation qualifications and priority levels. For suppliers that cause safety and environmental incidents or engage in commercial bribery, the annual evaluation score is zero, leading to elimination; for those involved in commercial fraud, major quality and safety hazards, or major legal and regulatory violations, they are blacklisted, and all commercial transactions are prohibited. Audit results serve as the core basis for determining 2025 supplier cooperation priorities and eliminations.

Furthermore, the Group values two-way communication with suppliers, establishing multi-level communication and coordination mechanisms to ensure efficient information transfer and timely issue resolution.

COSCO Kansai Companies clearly define the responsible persons for docking, establishing a multi-level communication mechanism covering daily coordination, operational-level communication, and high-level strategic dialogue. Communication methods are flexible and diverse, including emails, phone calls, WeChat, and irregular on-site visits, focusing heavily on delivery guarantees, quality control, cost optimisation, and technical synergy to fully ensure a stable and reliable supply chain.

COSCO SHIPPING Smart-Sailing’s supplier review group, led by the General Manager, formulates overall communication rules, while various business departments handle daily requirement docking and feedback. The company achieves transparent information sharing through written materials (such as admission application documents, audit forms, trial reports, annual evaluation forms, etc.) and the Group’s supplier management information system. The company conducts annual supplier evaluations or qualification inspections and initiates targeted communication immediately under special circumstances like admission audits and trial assessments.

6.1.3 Supply Chain Collaborative Development

We deeply understand that achieving sustainable industry development requires joint efforts from all parties in the industrial chain. The Group actively enhances supply chain management efficiency. Through negotiations, training, inspections, and thematic seminars, we continuously strengthen strategic links with suppliers, deepen cooperation levels, elevate the overall competitiveness of the supply chain, and assist industry progress. We also strive to explore broader and deeper collaborative models with excellent and industry-representative suppliers, joining hands with upstream and downstream partners to establish long-term, mutually beneficial, and co-growing cooperative relationships, jointly promoting industry prosperity and sustainable development. In addition, we integrate green and low-carbon principles throughout the entire supply chain, collaborate with industry partners to build a low-carbon logistics system, continuously enhance the resilience and sustainability of the global supply chain, and jointly promote the green transformation of the industry.

Case: The Group Participated in the Intermodal Asia Exhibition

On March 19, Intermodal Asia, the most influential frontier event in the global intermodal field, opened at the Shanghai World Expo Exhibition & Convention Center. The Group's subsidiary Shenzhen New Century, a leading container marking enterprise, COSCO Kansai Companies, a world-class professional leading demonstration enterprise, and Jiangmen Aluminium, a "Specialised, Refined, Unique and Innovative" enterprise of Guangdong Province joined forces to exhibit again, showcasing the enterprise's comprehensive strength and synergistic effects, and providing crucial opportunities for the company to expand business, enhance brand influence, and promote industry cooperation.



Case: COSCO Kansai Companies Joined the "Guohe No.1" Industrial Alliance

On November 17, COSCO Kansai Companies attended the signing conference of the "Guohe No.1" Industrial Alliance, signing the alliance co-construction agreement and the alliance's Party organisation joint-construction agreement. With the core goal of achieving 100% localisation of "Guohe No.1" nuclear power technology and equipment, the alliance breaks down technical and industry barriers by integrating upstream and downstream resources in the industrial chain. It builds an innovation system with deep integration of "Industry, Academia, Research, and Application", providing momentum for the large-scale promotion of third-generation nuclear power technology, assisting the high-quality development of China's nuclear power industry, and playing a key role in ensuring national energy security, implementing the "dual-carbon" goals, and executing the "going global" strategy for nuclear power.



Case: Jotun COSCO Marine Coatings Helping Shipowners Achieve Carbon Reduction

In 2025, Jotun COSCO successfully applied its Hull Skating Solutions (HSS) to its two 20,000 TEU container vessels of COSCO Shipping Lines, COSCO SHIPPING LIBRA and COSCO SHIPPING SCORPIO. Through the use of an onboard hull-cleaning robot, combined with big data technology and high-performance anti-fouling coatings, the solution helps shipowners reduce additional fuel consumption caused by hull performance degradation, thereby lowering associated carbon emissions.



According to independent verification by the third-party classification society, Jotun COSCO's marine coatings business achieved approximately 11.8 million tonnes of CO₂ emission reductions throughout the year. This is equivalent to the annual greenhouse gas emissions of around 2.5 million fuel-powered vehicles, representing a further improvement compared with the previous years.

The Group also actively participates in standard formulation, leading or participating in multiple national, industry, and group standards. In 2025, the standards that COSCO Kansai Companies participated in and were published included “船體防腐防污防銹漆體系 (Anti-fouling and Anti-corrosive Paint Systems on Ship Hulls)”, “溫室氣體排放核算與報告書第32部分：塗料生產企業 (Requirements of the Greenhouse Gas Emissions Accounting and Reporting — Part 32 : Coating Material Production Enterprise)”, and “塗料中有害物質限量第2部分：工業塗料 (Limit of Harmful Substances of Coatings — Part 2: Industrial Coatings)”. Additionally, the companies participated in formulating two industry standards, including “聚硅氧烷塗料 (Polysiloxane Coatings)”, and two group standards for offshore photovoltaic bracket coatings.

6.2 Product Quality and Responsibility

6.2.1 Ensuring Product Quality

As an industry leader, the Group consistently views product quality and safety as the company's lifeline. We pledge to provide consumers with high-quality, healthy, and safe products and services, ensuring products meet quality requirements by maintaining strict technical standards and monitoring mechanisms. The Group strictly complies with laws and regulations such as the “Product Quality Law of the People's Republic of China”, and specifically formulated an internal “健康、安全、環境及質量 (HSEQ) 政策 (Health, Safety, Environment, and Quality (HSEQ) Policy)” for chemical-producing subsidiaries as a guideline to ensure the safety and quality of products throughout the full life cycle, from raw material procurement and production to sales, marketing, recalls, returns, and replacements.

To maintain the quality of coating products, we implement stringent control measures. We conduct comprehensive testing and inspections on semi-finished and finished products, upholding quality control standards. Non-conforming products are isolated and handled according to procedural document requirements to ensure products meet quality standards. During the application, coating quality is tested according to the application workflow to ensure product quality meets all application requirements.

COSCO Kansai (Zhuhai), COSCO SHIPPING International Trading and Jotun COSCO have passed ISO 9001 system certification. In addition, the Jotun COSCO Qingdao plant was awarded the “Level II Enterprise for Work Safety Standardization” certification.



ISO 9001 Certificate
of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd



ISO 9001 Certificate
of COSCO Kansai (Zhuhai)



2025 Key Performance

COSCO Kansai Companies achieved a 100% ex-factory pass rate for products. There were zero customer complaints related to product quality and zero product recall incidents.

COSCO SHIPPING International Trading achieved a 100% contract fulfillment rate, customer satisfaction rate exceeding 95%, and 100% customer complaint resolution rate. No product recall incidents occurred.

Jotun COSCO achieved an annual on-time delivery rate of 99.10%; the number of fire/explosion incidents, lost-time injuries, leak incidents exceeding 50kg, and compliance violations all remained zero.

COSCO Kansai Companies established an effective quality management structure and formulated the “不合格品控制程序 (Non-conforming Product Control Procedure)”. The Deputy General Manager in charge of technology organises relevant departments to investigate, analyse, and handle quality complaints and non-conforming products, proposing to the General Manager to organise investigations when necessary. The companies established an effective quality tracking system covering the full life cycle traceability mechanism from product design to after-sales service. It possesses a complete product data collection chain to ensure quality issues can be managed in a closed loop for continuous improvement. The companies conduct comprehensive testing and inspection of semi-finished and finished products. Non-conforming products are strictly isolated and handled according to procedural document requirements, absolutely prohibited from entering the market. During the application, coating quality is tested strictly according to application workflows.

COSCO SHIPPING Smart-Sailing utilises digital and intelligent technological innovation as the core lever for product safety assurance, forming product safety assurance management experience featuring technological empowerment, full-process control, and ecological synergy. The company deeply integrates cutting-edge technologies like AI, blockchain, and big data to build a shipping data mid-end platform, pooling dynamic data across the full life cycle of vessels. This achieves precise identification, comprehensive monitoring, and early warning for vessel navigation and equipment maintenance and other aspects, driving the shift in product safety assurance from experience-led to data-driven. The company also constructed a digitalised and standardised management system covering core businesses like spare parts and fuel. Through IoT and blockchain technologies, it realises full-process operational record retention, visual monitoring, and distributed storage verification of data, guaranteeing that key data is authentic and reliable.

Case: COSCO Kansai Companies Carried Out “Quality Month” Activities

COSCO Kansai Companies concurrently launched “Quality Month” activities themed “Meticulously Check Hidden Dangers to Prevent Risks, Strive for Excellence to Forge Quality” at its Jinshan and Zhuhai plants. The activity formed a cross-departmental instructor team to go deep into key processes. Through defect physical teaching and on-site assessments, it achieved 100% training coverage. The Jinshan Plant trained 229 participants, while the Zhuhai Plant completed 21 targeted retraining sessions and tracked operational norms in real-time to ensure effectiveness. Meanwhile, the activity mobilised all employees to act as “quality detectives” conducting carpet-style inspections, establishing a “daily patrol, weekly review, monthly evaluation” mechanism. Immediate rewards were given to those who identify major hidden dangers, and excellent cases were included in new employee training materials, constructing a “training-inspection-improvement-incentive” closed loop, with relevant indicators integrated into annual KPIs. The Quality Month yielded significant results: both factories rectified 54 high-risk points and hidden dangers, the average score of employee quality knowledge tests jumped from 78 to 93, proactive reports of hidden dangers quadrupled, and a corporate culture of “Everyone Checks for Hidden Dangers, Everyone Values Quality” was successfully fostered.



6.2.2 Chemical Safety

The Group attaches great importance to chemical safety management, adhering to the principle of “source prevention, full-process control,” integrating chemical safety management into the product full life cycle. We strictly comply with domestic and international laws and regulations to ensure coating products meet the highest global environmental and quality norms. For key raw materials, we implement precise hierarchical management strategies and innovatively incorporate Life Cycle Assessments (LCA) into new product design to quantitatively evaluate the impact of chemicals on the environment and health.

COSCO Kansai Companies strictly follow the “Performance Standard for Protective Coatings” (PSPC), the “International Convention on the Control of Harmful Anti-fouling Systems on Ships” (AFS Convention), and the “International Convention for the Prevention of Pollution from Ships” (MARPOL Convention) established by the International Maritime Organisation (IMO), ensuring coating products meet the highest environmental and quality standards. Since the implementation of GB 30981 Limit of Harmful Substances of Industrial Protective Coatings in 2020, it has consistently remained a primary focus. We organise seminars to convey restriction requirements to R&D teams and strictly review product formulas. For irreplaceable main chemical raw materials, COSCO Kansai Companies implement hierarchical management.

COSCO Kansai Companies provide complete Safety Data Sheets (SDS) for chemicals to the public and places conspicuous safety signs and SDS QR codes on packaging surfaces. Employees and related parties can scan the codes to view chemical composition and relevant information. The companies also commissioned the National Registration Center of Chemicals to provide a 24-hour emergency advisory service, ensuring professional guidance is available in emergencies. In addition, the companies incorporated new LCA measuring the environmental or health features of new products into the product design phase.

Jotun COSCO has developed and implemented specialized documents, including “化學品安全技術說明書(Chemical Safety Technical Standard)”, which clearly specify the hazards, potential health risks, and environmental impacts of chemicals, covering both proprietary and non-proprietary products, and are accessible through digital platforms. Jotun COSCO has also established a management mechanism for hazardous and restricted chemical lists. In accordance with national laws and regulations, substances that are prohibited, restricted, or subject to key control are identified, and strict access control is implemented in internal procurement and production processes to ensure that all substances involved are properly registered and filed.

Jotun COSCO actively benchmarks against domestic and international management requirements for Substances of Very High Concern (SVHC) and proactively promotes the research and adoption of alternative raw materials. The company prioritises the use of substitutes that are lower in toxicity, lower in volatility, and more human-health friendly and environmentally. Jotun COSCO actively evaluates substitution solutions for high-risk chemicals and is gradually reducing the use of VOCs such as xylene and ethylbenzene. The company is committed to reducing the impacts of chemicals on human health and the environment and is progressively incorporating LCA into its product development processes to evaluate the comprehensive risks associated with raw material selection, manufacturing processes, use phases, and end-of-life disposal. This commitment applies to all new products and major process change projects.

Case: COSCO Kansai’s “One Enterprise, One Product, One Code” Strengthens Full-Chain Chemical Management

COSCO Kansai Companies independently developed a data automatic collection and reporting system, successfully implementing the “One Enterprise, One Product, One Code” data collection project. This strengthens risk control over the chemical lifecycle, empowering chemical safety management through technology. The project utilises cutting-edge technologies like Spring Boot and RabbitMQ to achieve business decoupling and automated data synchronisation. It seamlessly integrates with the Warehouse Management System (WMS), building an integrated warehousing and logistics supply chain platform, thereby solidifying the transparency and safety foundation of hazardous chemical management through technological innovation.



In addition, in accordance with regulatory requirements and customer needs, Jotun COSCO provides Safety Data Sheets (SDS) and related documentation to specific customers and regulatory authorities. These documents disclose chemical compositions, hazards, and whether substances of concern are present. Through a graded disclosure mechanism, the company balances commercial confidentiality with compliant disclosure. The company has established comprehensive consultation channels for customers and the public regarding chemicals, including customer service hotlines, customer service email, product information inquiry pages on the corporate website, and dedicated customer technical support teams, ensuring that customers can promptly obtain information related to chemical composition, safe use, and regulatory compliance.

6.3 Customer Service

6.3.1 Customer Satisfaction

The Group adheres to the “customer-centric” service philosophy, viewing customer feedback as a vital driving force for continuous business improvement. We highly value every aspect of the customer experience, dedicated to establishing long-term, stable cooperative relationships with customers by establishing robust customer satisfaction survey mechanisms, efficient complaint-handling processes, and strict privacy protection measures.

During the reporting period, the Group had no unresolved service-related complaints.



2025 Key Performance

COSCO Kansai Companies recorded zero customer complaints regarding industrial anti-corrosive coatings.

Yuantong's complaint handling rate and closure rate both reached 100%.

We are committed to establishing close relationships with customers and deeply understanding their needs, thereby providing products and services that garner positive feedback. Through various formats such as questionnaires, high-frequency customer visits, and technical exchanges, the Group's subsidiaries closely monitor and evaluate customer feedback regarding sales services, delivery processes, order procedures, invoicing, and overall contact experience to continuously improve service quality and customer satisfaction.

COSCO Kansai Companies formulated the “客戶反饋管理程序 (Customer Feedback Management Procedure)”, clearly stipulating the causes and scope of customer complaints, departmental responsibilities, handling principles, and procedures. The companies established a clear customer complaint handling process, creating a cross-departmental collaborative handling mechanism covering sales, marketing, quality control, and technical services. For product quality and non-product quality issues, the companies defined classified handling processes and timelines. By verifying causes, assigning responsibilities, formulating corrective and preventive measures, and reporting to management — while communicating with customers to seek understanding when necessary — we ensure complaints are properly resolved and results fed back to relevant departments, continuously improving customer satisfaction and product competitiveness. Furthermore, the companies include customer complaints in the performance assessments of responsible departments. If responsible persons cause customer complaints due to misconduct, resulting in damage to company interests, or conceal information, they will be penalised according to relevant regulations based on the severity.

Based on its quality system, COSCO SHIPPING International Trading formulated the “客戶服務管理程序 (Customer Service Management Procedure)”, clarifying customer classification, dynamic customer file management procedures, and customer communication channels. The procedure details the business customer relationship maintenance process, customer complaint handling process, and customer service quality evaluation process.

Yuantong established standardised complaint classification and handling processes. Upon receiving a complaint, it is immediately classified and labeled, handled specifically by the corresponding functional colleagues, and marked as “resolved” in the system, ensuring all complaints receive responses and are handled in a closed loop.

COSCO SHIPPING Smart-Sailing established customer online management groups, exclusive management mechanisms, and regular communication mechanisms with key clients to collect product usage feedback in real time, providing a basis for product optimisation and upgrades. The company offers 7×24 hours service response, ensuring users can contact project members immediately via email, phone, WeChat, and other channels, and technical personnel will be dispatched to the site to resolve issues when necessary. After sales, the company provides technical Q&A and advisory services, as well as on-site and remote training guidance. Furthermore, the company conducts regular user follow-ups, tracks system usage, listens to opinions and suggestions, and timely analyses and resolves issues.

6.3.2 Customer Privacy Protection

The Group places high importance on customer privacy protection in all business operations, strictly abiding by relevant local, international, and national laws and regulations, including the “Cybersecurity Law of the People’s Republic of China”, “Data Security Law of the People’s Republic of China”, “Personal Information Protection Law of the People’s Republic of China”, “Personal Data (Privacy) Ordinance” of Hong Kong, EU General Data Protection Regulation (GDPR) and Binding Corporate Rules (BCR), and the employee privacy protection requirements stipulated by laws in operational locations. We implemented various internal procedures strictly per international and domestic legal requirements to ensure data confidentiality and avoid leaking sensitive information of stakeholders. Our information dissemination strategy, known as the “信息管理辦法 (Information Management Method)”, emphasises four core values: “truthfulness, accuracy, completeness and timeliness”.

During the reporting period, the Group experienced no complaints or incidents regarding violations of consumer privacy or loss of customer data.

COSCO Kansai Companies formulated the “網絡與信息安全事件應急處置管理細則 (Detailed Rules for the Emergency Response Management of Cybersecurity and Information Security Incidents)”, clarifying information security incident grading, emergency reporting procedures, handling methods, and time limit requirements. In 2025, to strengthen data security and privacy protection, the companies completed remote disaster recovery deployment for its core ERP system and organised emergency drills according to plan, elevating the team’s emergency response capabilities and effectively guaranteeing core business data safety and business continuity. For monitoring, the companies ensure the effectiveness of relevant measures and the conformity of contingency plans through emergency drill record reviews, disaster recovery system restoration testing, and post-drill evaluation reviews. Moreover, the companies conduct normalised email reminder education, sending safety awareness emails to all employees. Combining actual cases with operational guidelines, it conducts periodic safety reminders and knowledge popularisation. The companies monitor promotional effectiveness by tracking email read rates and plans to conduct activities like simulated phishing tests to further verify and enhance employees’ practical defense capabilities.

During the reporting period, Jotun COSCO further strengthened and enhanced its existing data security mechanisms by updating and supplementing internal management policies, including the “Management System for Data Security and Privacy Protection”, the “Measures for the Administration of Information Security Incidents”, and the “Measures for the Protection of Trade Secrets”. The company advanced its data security and privacy protection initiatives across four key areas: institutional improvement, technological enhancement, risk control, and awareness raising:

- **Improving the data security system:** Update management systems on data classification and grading, account permission management, and sensitive data handling, while promoting effective implementation across business units.
- **Strengthening system security protection:** Upgrade endpoint protection, email security gateways, and anti-ransomware mechanisms, and fully deploy multi-factor authentication (MFA) to enhance account and system access security level.
- **Enhancing data backup and recovery capabilities:** Optimise backup strategies for critical systems such as ERP, Finance, MES, and OA, and regularly conduct data recovery drills to ensure business continuity.
- **Strict customer data protection measures:** Apply the principle of least privilege to manage customer information, prohibit the transmission of sensitive data through non-encrypted channels, and ensure that all access activities are auditable and traceable.
- **Conducting annual information security inspections:** Perform cybersecurity inspections across factories, subsidiaries, and warehousing bases to identify risks such as weak passwords, unauthorized devices, and abnormal network traffic, and implement corrective actions accordingly.

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COSCO SHIPPING International Trading has formulated the “網絡及信息安全管理制度 (Network and Information Security Management System)” to strengthen network and information management, clarify personnel responsibilities, and establish data security management requirements. The company strictly controls data backup, recovery, transfer-in, and transfer-out permissions, isolates and saves documents above the confidential level, and regularly patrols firewall equipment to handle security risks. Additionally, the company formulated an information security emergency plan, specifying requirements such as importance grading for information security incidents, emergency reporting procedures, handling methods, and time limit, and conducted emergency drills. Relevant drill records were uploaded to the Group’s network security platform.

In 2025, centering on “Digitalisation, Intellectualisation, and Marketisation”, COSCO SHIPPING Smart-Sailing compiled the “船舶備件信息標準化全生命周期管理實施方案 (Implementation Plan for Standardised Full Life Cycle Management of Vessel Spare Parts Information)”. While advancing business transformation, it integrated data security and customer privacy protection throughout the entire processes of product R&D, system integration, and business operations. By promoting spare parts coding standardisation and developing compliance risk intelligent early warning functions, it strengthened data control from the source. It adopted standardised interfaces and permission grading mechanisms during system integration to prevent data leakage and tampering risks. It implemented tiered and classified control over sensitive data, strictly limiting access scopes. The company also improved its internal and external training system, conducting 23 digital internal training sessions during the reporting period to prevent operational risks at the personnel level. In applying technologies like Big Data and AI, it embedded security protection modules to elevate data security protection levels in intelligent scenarios.

Case: The Group Hosted “Digital Literacy Skills Enhancement and Cybersecurity Training”

On July 29 and 30, the Group hosted the “Digital Literacy Skills Enhancement and Cybersecurity Training”, aiming to strengthen cybersecurity defense capabilities and elevating digital literacy and skills, with over 1,100 people participating. The training, conducted via a combination of on-site and video conferencing, covered basic security knowledge, such as internet and network architecture and operational principles, common cybersecurity threats and attacks, cybersecurity controls and countermeasures, password security, account security, Multi-Factor Authentication (MFA), and case sharing. This enhanced all employees’ understanding of digital technology applications and usage skills, as well as their preventive awareness of cybersecurity.



6.4 Technological Innovation

The Group views technological innovation as a vital driving force for the Group's development, continuously promoting business models and technology-empowered innovation. We actively respond to the idea of the "Guiding Opinions on Regulating the Procurement Management of Central Enterprises" promulgated by the State-owned Assets Supervision and Administration Commission and the National Development and Reform Commission of the State Council, continuously deepening product R&D and innovation, dedicated to achieving comprehensive digitalisation and intellectualisation empowerment.

Sustained R&D investment is the living water of technological innovation. In 2025, the Group further improved the R&D investment growth mechanism, ensuring that R&D funding intensity remains at industry-leading levels. Furthermore, we positioned clean technology as the key direction for the company's future technological development, accelerating the strategic layout of green products and services. By deepening the integration of technological innovation and industry, we are committed to building a sustainable ecosystem to lead the industry's transition towards low-carbon and environmental protection, achieving a win-win for economic benefits and social value.



2025 Key Performance

COSCO Kansai Companies were recognised as a High-Tech Enterprise, a Specialised and Sophisticated SME and an innovative SME in Shanghai, and an Enterprise Technology Center in Jinshan District, cumulatively receiving RMB450,000 in government rewards.

COSCO SHIPPING Smart-Sailing was successfully selected as an "Innovative SME" in Shanghai, relying on its outstanding performance in shipping digitalisation and green transition.

As a major supplier in the container coatings industry, COSCO Kansai Companies have always focused on the R&D and production of green and eco-friendly container coating products. The company formulated and implemented the "技术中心科研项目管理制度 (Technology Center Scientific Research Project Management System)", building a standardised and process-oriented scientific research management system. Simultaneously, it comprehensively promoted the "Open Competition" mechanism. Focusing on key technical challenges, it established 4 annual key scientific research projects, all of which have completed design and passed review, and are now entering full implementation.

Addressing the pain point that traditional solvent-based coatings release large amounts of VOCs during production and construction, COSCO Kansai Companies concentrated their R&D resources and successfully developed a series of waterborne industrial anti-corrosive coatings. This product series uses advanced waterborne resin technology, drastically reducing VOCs emissions, while achieving or even surpassing the performance of traditional solvent-based products in terms of anti-corrosion performance, adhesion, and weather resistance. In addition, the companies developed high-solid epoxy coatings to reduce solvent use.

In 2025, COSCO Kansai Companies achieved breakthroughs in multiple fields. The graphene waterborne zinc-rich paint developed by the companies possesses both high performance and eco-friendly attributes. As the industry's first graphene anti-corrosion ancillary system to achieve batch application, it has been used by multiple customers, cumulatively exceeding 15,000 TEU. Waterborne anti-corrosive coatings for nuclear power plant secured market orders for the first time, breaking the monopoly of foreign companies; powder coatings continuously expanded their applications in areas such as steel structures and bridges.

Case: COSCO Kansai Companies' First Batch of Graphene Zinc-Rich Containers Leads Innovation in Anti-Corrosion Technology for Containers

In 2025, COSCO Kansai Companies successfully completed the spraying of 700 TEU graphene containers at the Shanghai Universal Lianyungang Container Factory, marking a qualitative leap of the companies' achievement transformation in graphene material application, providing an innovative solution for container corrosion protection technology. This technology utilises graphene to enhance the electrochemical anti-corrosion performance of zinc-rich paint, significantly strengthening its cathodic protection effect on metal substrates. It demonstrates remarkable effectiveness in extending the anti-corrosion duration of composite coatings and suppressing the corrosion spread speed at damaged areas, enabling the transition the industry towards high efficiency, environmental protection, and green development.



Furthermore, COSCO Kansai Companies actively embraced the wave of digitalisation and intelligence development. During the development of the waterborne reefer epoxy intermediate coat, it utilised digital analysis tools to quickly identify shortcomings in performance, achieving formula optimisation and mass application. It also advanced laboratory data management and formula system informatisation, enhancing R&D efficiency and traceability.

Case: COSCO Kansai Companies Launched Digital and Intelligent Manufacturing Execution System (MES)

The Jinshan Plant of COSCO Kansai Companies officially launched the Digital and Intelligent Manufacturing Execution System (MES) project. Focusing on 8 core business areas including production management, quality control, equipment management, energy management, and data analysis, the project aims to enhance production transparency and controllability through intensive application, marking a stride for a milestone in the companies' digital transformation.



6.5 Intellectual Property Protection

Intellectual property (“IP”) is an important manifestation of corporate core competitiveness and the foundation for legal institutions motivating innovation and safeguarding the commercial conversion of technological achievement. The Group strictly abides by the “Trademark Law of the People’s Republic of China”, the “Patent Law of the People’s Republic of China”, the “Trade Marks Ordinance” of Hong Kong, and the laws and regulations of the locations where it operates. The Group has comprehensively optimised the intellectual property management system, elevating the standards of IP creation, utilisation, protection, management, and service.

To protect the legitimate rights and interests of inventors and motivate innovative enthusiasm among all staff, COSCO Kansai Companies have established a patent application and reward mechanism, providing cash rewards for authorised patents, and integrated IP into the full-process management of scientific research projects, thereby strengthening technological confidentiality and ownership of results.

Jotun COSCO continues to strengthen intellectual property protection by establishing an integrated five-pillar mechanism covering monitoring, evidence collection, rights protection, management on authorisation, and standardised distributor governance, thereby actively safeguarding its brand rights. Through online and offline inspections, distributor self-inspection mechanisms, and cooperation with professional law firms, it has carried out evidence preservation, and administrative or judicial enforcement actions. At the same time, it enhanced internal authorization procedures within the Group to ensure legal compliance and comprehensive coverage of enforcement activities. Furthermore, Jotun COSCO strengthened intellectual property compliance requirements for channel partners by improving distributor promotional guidelines and domain name management systems, preventing infringement risks at the source. This integrated framework enables the timely identification, accurate assessment, and effective resolution of infringement cases, thereby safeguarding the its brand assets and maintaining an orderly market.



2025 Key Performance

COSCO Kansai Companies were granted 2 invention patents and 3 utility model patents.

COSCO SHIPPING Smart-Sailing was granted 1 formal invention patent and 8 additional software copyrights covering core business scenarios.

Case: COSCO Kansai Companies Held a Special Patent Training Session

COSCO Kansai Companies held the “2025 Special Patent Training Session,” aiming to improve researchers’ capabilities in invention patent application and drafting, and to strengthen the IP protection system. Senior patent attorneys were invited to give lectures, and nearly 20 R&D engineers participated and exchanged on-site. The training covered application processes, drafting skills, examination key points, and protection strategies for invention and utility model patents. It also interpreted the latest provincial and municipal subsidy policies, prioritised examinations, patent pledge financing, and other enterprise-favoring measures, helping the enterprise maximise the utilisation of policy resources. Through case analysis and on-site discussion, the team engaged in in-depth exchanges on difficulties such as identifying innovative elements, ensuring precise wordings, and key plagiarism checks, thereby enhancing the IP awareness of all staff.



7. COMMUNITY INVESTMENT

The Group remains unwavering in its commitment to promoting the prosperity and progress of the communities where it operates. In 2014, we formulated the “Donation Policy”, clarifying cooperation strategies with local NGOs and charitable organisations, as well as the methods for managing charitable work. The policy also details the annual charitable donation budget and the exact criteria for determining the amounts and methods of community investments or donations to respond to the rights and local needs of various communities. In 2025, adhering to the spirit of “Rooted in Hong Kong, Serving Hong Kong”, the Group comprehensively deepened its public welfare practices, conveying messages of care through diversified activities, and fueling momentum into the sustainable development of society.

We established a dedicated volunteer team to channel the enthusiasm and efforts of employees into actively giving back to society. To commend and encourage employees who dedicate themselves to public welfare in the long-term, we provide a half-day of paid leave to employees who contribute between 2 and 4 hours on volunteer event days, while those who participate for 4 and more hours of volunteer activities receive one full day of paid leave.

With the team slogan “Dedicated Service, Benefiting the Community”, the Group integrates its commitment to the community into every volunteer project. We regularly review community investment plans to optimise the allocation of time and resources. In 2025, our community contributions primarily focused on five major areas, namely charitable donations, environmental public welfare, education, assistance to underprivileged groups, and community support.

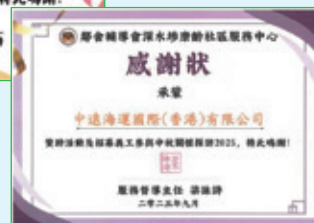


2025 Key Performance

The Company received letters of appreciation from Sowers Action for home visits, children’s countryside activities, and home visits to impoverished families.



The Company received 3 letters of appreciation for elderly visits and a letter of appreciation for elderly outdoor activities from the Neighbourhood Advice-Action Council.



The Company became a Gold Member of the World Wide Fund for Nature (“WWF”).

7.1 Charitable Donations

The table below lists the specific organisations to which the Group made direct donations to benefit the community during the reporting period:

| Charitable Organisation | Donation Amount (HK\$) |
|---|------------------------|
| WWF | 100,000 |
| The Neighbourhood Advice-Action Council | 23,000 |
| Hong Kong Committee for UNICEF ("UNICEF") | 50,000 |
| Sowers Action | 211,600 |
| Total Donations | 384,600 |

7.2 Environmental Public Welfare

As a shipping service provider, the Group fully recognises that its primary environmental responsibility begins with the ocean and extends beyond it. We are aware of the growing social concern regarding environmental issues such as marine pollution, hence we are dedicated to reducing the negative impacts of human activities on the environment.

The Group continues to support the work of WWF. During the reporting period, we donated HK\$100,000. As a Gold Member, we continuously collaborate with WWF under the corporate membership scheme to support its environmental conservation projects such as Mai Po and wetlands, marine, wildlife, local biodiversity, sustainable finance, and public engagement and education, thereby supporting Hong Kong in becoming a more sustainable city. Besides donations, we also host exchange activities to promote the importance of environmental protection and conservation. In 2025, the COSCO Kansai (Zhuhai) base participated in a surrounding public welfare environmental trash clean-up activity organised by the Chemical Association, taking practical actions to safeguard the surrounding ecological environment while actively promoting green, low-carbon, and energy-saving concepts.

Case: COSCO Kansai Companies' Zhuhai Plant Conducted Voluntary Tree Planting

On April 22, the COSCO Kansai Companies' Zhuhai Plant organised the "Jointly Building a Green Home, Supporting the Garden Factory" voluntary tree planting activity. With strong support from the Agricultural Office of the Zhuhai Economic and Technological Development Zone, the factory received 40 Lingnan characteristic fruit tree saplings, including pomegranate, longan, jaboticaba, and lychee. This further beautified the plant area environment, added a vibrant green landscape, laying a solid foundation for advancing environmental upgrade and creating a garden styled factory. This government-enterprise joint tree planting not only served as a practical measure for the local government to support corporate ecological development, but also demonstrated a shared commitment to building a "Green and Beautiful Zhuhai".



7.3 Education

Youth are the backbone of society's future. We firmly believe that equal educational opportunities are a basic right for everyone. The Group actively fulfills its social responsibilities, continuously putting in resources for youth education and development, providing children with more financial and mental support, and enabling the younger generation to grow healthy and set sail for their dreams. For instance, Jotun COSCO has long funded the Yunnan Spring Bud Class.

Case: Jotun COSCO Attended the Opening Ceremony of the “Spring Bud Class”

From 13 to 15 October, Jotun COSCO team visited Jindun Junior High School in Heqing County, Yunnan Province, attended the opening ceremony of the new-grade Jotun COSCO “Spring Bud Class”, and paid home visits to the students of the “Spring Bud Class”.



7.4 Assistance to the Elderly, Underprivileged Children, and Grassroots Families

We respect the uniqueness of every individual and acknowledge that the challenges people face in daily life differ. We actively cooperate with local NGOs, and effectively mobilise resources to tangibly respond to the needs of different community groups. By organizing various volunteer services, we convey the message of caring for society and serving the community, promoting social integration and community inclusion.

During the reporting period, we partnered with the Neighbourhood Advice-Action Council to organise a series of community activities:

Caring for the Elderly

Case: The Company Rolled Out the “Passing on Deep Love Mid-Autumn Visit” Activity

On 13 September, 83 volunteers from the Company participated in the “Passing on Deep Love Mid-Autumn Visit” activity organised by the charitable organisation, Neighbourhood Advice-Action Council. They successfully visited 69 elderly people living alone or double-aging elders residing in Chak On Estate, Shek Kip Mei, Sham Shui Po, delivering holiday blessings, warmth and companionship. During the visits, volunteers presented the elderly with mooncake lucky bags symbolising reunion and patiently listened to their daily lives. After the visits, volunteers promptly fed back the collected needs of the elderly to social workers for follow-up, ensuring that compassion was not merely a “one-time visit” but to be extended effectively in the long run.



Case: Yuantong Organised Volunteers to Visit the Elderly During the Dragon Boat Festival

During the Dragon Boat Festival, Yuantong organised volunteer activities to visit the elderly, presenting them with zongzi (glutinous rice dumplings) and daily necessities. Volunteers engaged in cordial conversation with the elderly, listening to their concerns, and allowing the elderly to genuinely feel the care of society and warmth of the holiday season. Through face-to-face companionship and communication, the volunteers gained a deep appreciation for the significance of care and companionship to the elderly, further promoting the traditional Chinese virtues and fine customs of respecting and caring for the elderly.



Caring for Vulnerable Groups

Case: Jotun COSCO Carried Out Mid-Autumn Festival Thematic Condolence Activities

Ahead of the Mid-Autumn Festival, Jotun COSCO visited the RUCHANG Qingdao Empowerment Centre Base to carry out the “Full Moon Deep Love, Reunited for Charity — Jotun COSCO Mid-Autumn Heartwarming Public Welfare Journey” themed condolence activity, delivering care and warmth in holiday season to persons with disabilities. The condolence team learned in detail about the work and living conditions of the disabled and presented them with carefully prepared condolence gifts, conveying corporate care through actions. A solemn and warm “Starry Wall” unveiling ceremony was held at the event site, symbolising the generosity of the company as tiny lights to illuminate the employment path of the disabled. Representatives of the disabled presented paper-cutting artworks themed with the company’s LOGO mascot in return to express their gratitude.



Assisting Underprivileged Children and Grassroots Families

We have always spared no effort in social public welfare activities. Since 2008, we have sponsored the “Sowers Action Challenging 12 Hours” fundraising event for 17 consecutive years, raising over HK\$ 3 million in donations, benefiting nearly 4,200 students with financial difficulties and underprivileged groups in Hong Kong, Mainland China, and other regions.

In 2025, we also donated HK\$50,000 to UNICEF to support children's rights and well-being. The donation aims to assist UNICEF in ensuring children have access to safe drinking water, benefit from high-quality education, are free from exploitation, violence and preventable diseases. As children are the cornerstone of society, every child should receive equal care and opportunities. Looking ahead, we will continue to make more contributions to the protection of underprivileged children.

Case: The Company Organised the "Sowers Action" Home Visit to Extremely impoverished Families in Sham Shui Po

In September, approaching the Mid-Autumn Festival, 23 volunteers from the Company participated in the "Sowers Action" home visit to extremely impoverished families in Sham Shui Po. The activity involved home visits to 20 extremely impoverished families. Volunteers communicated cordially with the visited families, listened to their concerns, understood their practical difficulties, shared life stories together, discussed their children's studies, and presented carefully prepared care packages. The home visit activity not only brought warmth and care to grassroots families, but also provided employees with valuable opportunities to gain better understanding of social diversity, deepening everyone's appreciation of social responsibilities.



Case: The Company Participated in the "Sowers Action Challenging 12 Hours" Charity Trail Marathon

In November, the Company dispatched a team of 125 people comprising employees, families, and guests to participate in the "Sowers Action Challenging 12 Hours" Charity Trail Marathon, raising HK\$81,600 for local grassroots family services and other subsidised projects. On the day of the event, the Company's participating teams experienced the hardship of students in mountainous areas trekking long distances to school through walking. While enjoying the scenic beauty of Hong Kong's mountain trails, they raised funds for Sowers Action's student assistance projects.



8. ROBUST GOVERNANCE

The Group firmly believes that with sound corporate governance, it can establish an orderly, efficient, and transparent operational mechanism that delivers overall benefits to the enterprise and enhances the foundation for sustainable development. The Group continuously refines its corporate governance system with well-defined rights and responsibilities, driving governance standards to new heights. The Group adheres to its commitment to business ethics, continuously enhancing accountability and transparency, and creating long-term and sustainable development value for stakeholders such as shareholders, customers, employees, and society.

8.1 Corporate Governance

The Group has adopted a customised Corporate Governance Code, which, in addition to applying the principles set out in the Corporate Governance Code (the “Stock Exchange Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange, also incorporates and complies with local and international best practices. The Corporate Governance Code outlines the corporate governance principles applied by the Group and its subsidiaries and is reviewed regularly to ensure transparency, accountability, and independence. During the reporting period, the Group strictly complied with the Stock Exchange Code.

The Board of Directors, as the highest decision-making and leadership body, is primarily responsible for overseeing all major affairs of the Company, including formulating and approving the Company’s operational strategies, management policies, internal controls, and risk management systems to ensure the proper operation and management of the Company’s business; reviewing the Company’s corporate governance policies and practices; setting targets and guidelines for management to enhance shareholder value; and monitoring management’s performance and providing guidance to management.

The Board has established six Board Committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee, the Strategic Development Committee, and the Risk Management Committee. In addition to the above Board Committees, the Company has an ESG Committee. Each committee has formulated clear terms of reference covering its responsibilities, powers, and functions.

The Group firmly believes that building an independent board structure is crucial to protecting shareholders’ interests and supporting the long-term development of the Company. It has established a sound board independence mechanism to effectively ensure that the Board fulfils its duties legally and diligently, ensuring the objectivity and fairness of decision-making.

8.2 Business Ethics

8.2.1 Anti-Corruption

We consistently adhere to the highest standards of integrity and legality, strictly complying with the “Criminal Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China”, the “Bidding Law of the People’s Republic of China”, and the “Prevention of Bribery Ordinance” of Hong Kong. We profoundly understand the importance of business ethics and anti-corruption measures, hence integrating business ethics and codes of conduct into the Group’s risk management framework and closely monitoring their implementation.

The Group explicitly prohibits any form of corruption, including but not limited to accepting benefits or kickbacks from suppliers, and colluding with suppliers to commit fraud and falsely report sales volumes. We adhere to the principle of “Whoever Takes Charge Should Be Responsible”; the employees involved and relevant supervisors must bear corresponding responsibilities. If any acts of illicit benefit transfer are discovered, we will immediately conduct a comprehensive investigation covering the personnel involved and the entire business department. In accordance with the “直管公司績效考核管理辦法 (Performance Assessment and Management Measures for Directly-Managed Companies)”, binding indicators concerning the management of transactions, risk and internal control, and other requirements for employee ethics and anti-corruption are closely monitored and evaluated in operational business assessments.

Designated departments and each business departments strictly implement anti-corruption policies, making immense efforts to eradicate unethical business practices. The Audit Committee of the Board is responsible for overseeing relevant affairs of business ethics and compliance at the Group level. According to the “特殊關聯企業管理辦法 (Special Affiliated Enterprise Management Measures)”, the Audit and Supervision Division is also responsible for managing special affiliated businesses through various channels such as regular or irregular special inspections, effectiveness supervision, and audits. Representatives of various business divisions are responsible for implementing anti-corruption plans, the Audit and Supervision Division is responsible for supervising and evaluating implementation, and the departments are responsible for guiding their suppliers to provide goods and services that comply with the Group’s procurement and supply chain management policies. Furthermore, subsidiaries are responsible for reporting instances of employees violating the Company’s policies to the Audit and Supervision Division.

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During the reporting period, the Group did not face any litigation cases related to corruption.

The Group has formulated the “中遠海運國際員工職業道德及行為準則(「守則」)” (Professional Ethics and Code of Conduct for the Staff of COSCO SHIPPING International” (the “Code”) to ensure all employees understand and comply with the aforementioned principles, thereby maintaining high integrity and ethical standards. The Code provides guidelines for appropriate behaviour under various scenarios employees may face. Specifically, the Code prohibits employees from using their positions to offer bribes or accept improper benefits, seizing the Group’s business opportunities, using any of the Group’s properties for personal gain, and engaging in other activities that may harm the Group’s interests. Additionally, employees should maintain long-term and trustworthy relationships with clients, contractors, and suppliers. Any employee violating the Code will be subject to disciplinary action, including termination of employment. The Group has a responsibility to report any suspected regulatory violations or illegal acts to the relevant authorities and cooperate with investigations. The Company formulated corresponding anti-bribery policies, establishing certain regulations regarding the registration and handling of surrendered gifts.

To deepen employees’ awareness of business ethics practices, our goal is to conduct an annual employee self-assessment survey across all divisions and subsidiaries. This survey covers various areas outlined in the Code, such as integrity and fairness, declaration and disclosure of interests, conflicts of interest, safeguarding confidential information and company assets, and relationships with clients, suppliers, and contractors. In 2025, we conducted a self-inspection and review of employees’ compliance with professional ethics. A total of 832 employees participated in the self-inspection, with results showing that all employees complied with the provisions of the Code.

Moreover, we carried out anti-corruption and business ethics training on a regular basis covering all full-time and part-time employees to strengthen employees’ anti-corruption awareness.

Case Study: The Group Held the “2025 Integrity and Honesty Education Special” Training

On 8 May, the Group held the “2025 Integrity and Honesty Education Special” training. A Senior Community Relations Education Officer from the Community Relations Department of the Hong Kong Independent Commission Against Corruption (ICAC) served as the guest speaker. Nearly 100 people, including the Company’s management, heads of key positions such as sales and procurement, and employees, attended the training. The training provided an in-depth interpretation of “Prevention of Bribery Ordinance (the “Ordinance”)” in Hong Kong, covering core provisions of the Ordinance, common high-risk areas for corruption and fraud, anti-corruption management recommendations, and methods for handling conflicts of interest. Through this training, participants better absorbed and mastered the latest policy developments and legal requirements regarding anti-corruption in Hong Kong, playing a positive role in better promoting the development of a culture of integrity and honesty and improving anti-corruption management capabilities.



8.2.2 Whistleblower Protection

The Group has formulated the “舉報政策 (Whistleblowing Policy)”, explicitly stipulating that employees and individuals having business dealings with the Company can report any suspected corrupt acts through anonymous channels. It details relevant processes and mechanisms, aiming to promote a corporate culture of integrity and honesty, strengthening operational transparency and accountability mechanisms. The “Whistleblowing Policy” strictly observes confidentiality principles, ensuring that the whistleblower’s identity is not leaked or disclosed without his consent. The Board of Directors is responsible for supervising the effective implementation and execution of this policy to maintain high standards of corporate fairness and integrity. Any acts of interfering with or disrupting investigations are deemed serious disciplinary violations. The Discipline Inspection Commission of COSCO Kansai Companies convenes work meetings quarterly to review relevant situations and take corresponding supervisory management measures. It simultaneously continues to broaden whistleblowing channels, setting up dedicated whistleblowing email boxes to unblock avenues for reflecting opinions and supervision.

Employees can choose to report by real name or anonymously. Whistleblowing channels including dedicated email addresses and hotlines have been established. All reports will be kept strictly confidential, and the Compliance Management Committee, the person-in-charge of compliance management, and the Corporate Management Division will organise evaluations and investigations for violation incidents within their management scope. COSCO SHIPPING International Trading has made its corporate whistleblowing hotline available to partners, customers, and related parties, supporting both real-name and anonymous reporting. It also opened an employee whistleblowing email to all staff, strictly keeping the whistleblowers’ identities confidential.

8.3 Compliance and Risk Control

The Group has always regarded risk management and control as a core safeguard for its business development. It strictly adheres to internal management policies such as “內部控制及風險管理辦法 (Internal Control and Risk Management Measures)”, “風險評估管理規定 (Risk Assessment Management Regulations)”, “重大經營風險及重大經營風險事件報告管理規定 (Management Regulations for Reporting Major Operational Risks and Major Operational Risk Incidents)”, and “貿易業務風險管理規定 (Trade Business Risk Management Regulations)”. The Group continuously improves its risk management system, further standardises risk prevention and control processes, and enhances the level of refined management, thereby laying a solid institutional foundation for the effective prevention and scientific handling of various ESG-related risks.

The Group deeply integrates its compliance risk list with its annual operational risk assessment list, applying unified identification, assessment, control, and updating. Based on the annual operational risk assessment, the compliance risk dimension is fully embedded, incorporating legal compliance, disputes and litigation, connected transactions, insider information management, integrity and clean practice, and other compliance matters into the Group’s overall risk list for unified management. This approach deeply integrates compliance management into daily business operations.

At the same time, the Group put greater efforts in compliance risk screening efforts in key areas such as economic sanctions, export controls, and the use of standard contracts. In terms of compliance risk alerts, the Group closely monitors legislative and regulatory developments both domestically and internationally, examines the impact of relevant compliance risk incidents on potential key investment regions, issues timely risk warnings, and conducts targeted special risk studies to enhance the foresight of compliance management, striving to effectively prevent major compliance risks.

The Group advocates free and fair competition, avoiding participation in any discussions, communications, information sharing, or agreements that may violate applicable anti-trust and competition laws. It strictly complies with international trade regulations and export control regulations, resolutely boycotts any and all forms of extortion and bribery, and urges the Group and its business partners to conduct business ethically.

The Group firmly upholds the principle of free and fair competition. We comply with the “Law Against Unfair Competition of the People’s Republic of China”, the “Interim Provisions on the Protection of Commercial Secrets of Central Enterprises” issued by the State-owned Assets Supervision and Administration Commission of the State Council, and the “Administrative Measures on the Protection of Trade Secrets” promulgated by China COSCO Shipping Corporation Limited. We have formulated the “保護商業秘密行政措施 (Administrative Measures on the Protection of Trade Secrets)”, avoiding participation in any discussions, communications, information sharing, or agreements that may violate applicable anti-trust and competition laws. The Group strictly abides by international trade regulations and export control ordinances, adopting a zero-tolerance attitude towards any form of extortion and bribery. We have also implemented the “員工管理辦法 (Employee Management Measures)” to prevent employees from disclosing customer data and strategic cooperation agreements to any third party, ensuring all business activities are conducted in a compliant and ethical manner.

Case: The Group Held the “2025 Integrity and Honesty Education Special” Training

From 16 to 18 July, the Group organised and held the 2025 compliance management special training at the Shanghai Branch of the COSCO SHIPPING Talent Development Academy, aiming to further advance the establishment of the Company’s compliance management system, cultivate a culture of legal compliance, and elevate the company’s overall compliance management level. A total of 42 people participated, including risk control and compliance specialists from various departments, major leaders of directly managed units, or leaders, persons in charge, and related personnel responsible for legal, risk control, and compliance. The training programmes covered six aspects: corporate legal system development and compliance management practices, practical courses on foreign-related laws, cross-border financial sanction risk management, the new Company Law and corporate ESG practice and compliance, corporate governance according to law and risk control/compliance management under the wave of AI, and practical interpretation of the Measures for the Compliance Management of Central Enterprises. Senior industry experts and scholars were invited to the lectures. Through diverse formats such as theoretical explanations, case analyses, and group discussions, participating trainees deeply learned the latest concepts and practical experiences in compliance management, effectively enhancing their awareness of compliance risk control and business capabilities.

PERFORMANCE DATA SUMMARY — ENVIRONMENTAL

| Indicator | Unit | 2025 | 2024 | 2023 |
|--|------------------------------|------------------|-----------|-----------|
| Greenhouse Gas (GHG) Emissions | | | | |
| Scope 1^{Note 1} | | | | |
| Total emissions | metric tonnes | 503 | 682 | 412 |
| Petrol ^{Note 2} | | 51 | 188 | 76 |
| Diesel ^{Note 2} | | 134 | 154 | 101 |
| Natural gas ^{Note 2} | | 318 | 340 | 235 |
| Scope 2^{Note 2} | | | | |
| Total emissions | metric tonnes | 3,290 | 3,625 | 3,479 |
| Electricity | | 3,290 | 3,625 | 3,479 |
| Scope 3^{Note 3} | | | | |
| Total emissions | metric tonnes | 380,548 | 176,058 | 824 |
| Purchased goods and services | | 280,106 | 71,004 | 65 |
| Capital goods | | 448 | — | — |
| Fuel and energy-related activities (not included in Scope 1 and Scope 2) | | 97,809 | 104,504 | — |
| Upstream transportation and distribution | | 1,195 | 2.22 | — |
| Waste generated in operations | | 284 | 144 | — |
| Business travel | | 418 | 320 | 759 |
| Employee commuting | | 288 | 84 | — |
| Total GHG Emissions | | | | |
| Scope 1, 2 and 3 | metric tonnes | 384,341 | 180,365 | 4,715 |
| GHG emissions per m ² of floor area (Scope 1, 2 and 3) | metric tonnes/m ² | 9.15 | 3.87 | 0.10 |
| GHG emissions per employee (Scope 1, 2 and 3) | metric tonnes/employee | 475.67 | 222.95 | 5.48 |
| Air Emissions | | | | |
| VOCs and Benzene | metric tonnes | 3.92 | 2.46 | 2.37 |
| Toluene | | 0.24 | 0.06 | 0.20 |
| Xylene | | 0.63 | 0.15 | 0.19 |
| Particulate matter | | 0.31 | 0.48 | 0.17 |
| Other exhaust gas emissions | | 0 | 0 | 0 |
| Energy Consumption | | | | |
| Direct Energy Consumption | | | | |
| Diesel | litre | 50,494 | 58,129 | 38,185 |
| Petrol | litre | 19,250 | 70,722 | 28,608 |
| Natural gas | m ³ | 147,221 | 157,033 | 108,719 |
| Indirect Energy Consumption | | | | |
| Power consumption | kWh | 6,345,063 | 6,800,110 | 4,372,681 |
| Power consumption density per m ² of floor area | kWh/m ² | 151.14 | 146.03 | 95.46 |
| Power consumption density per employee | kWh/employee | 7,852.80 | 8,405.57 | 5,084.51 |
| Water Consumption | | | | |
| Total water consumption | metric tonnes | 44,296 | 43,992 | 31,713 |
| Water consumption density | metric tonnes/m ² | 1.06 | 1.20 | 0.87 |
| Waste Management | | | | |
| Solid waste (hazardous) | metric tonnes | 3,159 | 2,734 | 1,016 |
| Solid waste (non-hazardous) | | 651 | 259.81 | 229.7 |
| Wastewater | | | | |
| Wastewater | metric tonnes | 19,698 | 17,181 | 15,769 |
| Packaging materials | | | | |
| Coating packaging materials | metric tonnes | 7,755 | 7,046 | 3,691 |

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Notes:

- 1 The emission factors and Global Warming Potentials (GWP) for Scope 1 GHG emissions are applied in accordance with those provided in Appendix 2: Reporting Guidance on Environmental KPIs by the Stock Exchange.
- 2 The emission factors for Scope 2 GHG emissions are differentiated by region. The carbon emission intensity of electricity generation provided in HK Electric Investments' 2024 Sustainability Report is adopted for Hong Kong, China. For Mainland China, the electricity carbon emission factor provided in the 2023 Electricity Carbon Dioxide Emission Factors is adopted.
- 3 Scope 3 GHG emission accounting is conducted with reference to relevant standards and factors such as the GHG Protocol Corporate Accounting and Reporting Standard, the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Appendix 2: Reporting Guidance on Environmental KPIs by the Stock Exchange, the China Product Full Life Cycle Greenhouse Gas Emission Factor Database, and the U.S. Environmentally-Extended Input-Output (USEEIO) Supply Chain Greenhouse Gas Emission Factors. In accordance with relevant Listing Rules requirements, the Group has identified and quantified seven categories of Scope 3 GHG emissions according to the latest regulations. Moving forward, we will continue to optimize emission management to gradually achieve the goal of fully covering indirect emissions across the supply chain and product life cycles. During the reporting period, we updated and calculated the boundary and calculation method for the Scope 3 category of Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2), and restated the calculation results for 2024.

PERFORMANCE DATA SUMMARY — SOCIAL

| Indicator | Unit | 2025 | 2024 | 2023 |
|--|--------|---------------|--------|--------|
| Employment | | | | |
| Total Workforce | number | 808 | 809 | 860 |
| By Employment Type | | | | |
| Full-time | number | 808 | 808 | 859 |
| Contract or short-term | | 0 | 1 | 1 |
| By Gender | | | | |
| Male | number | 565 | 565 | 615 |
| Female | | 243 | 244 | 245 |
| By Region | | | | |
| Hong Kong | number | 205 | 201 | 195 |
| Mainland China | | 569 | 580 | 638 |
| Overseas | | 34 | 28 | 27 |
| By Age Group | | | | |
| 30 or below | number | 86 | 79 | 62 |
| 31–50 | | 521 | 548 | 585 |
| Over 50 | | 201 | 182 | 213 |
| Overall Employee Turnover Rate | | | | |
| Turnover rate | % | 5 | 4 | 4 |
| By Gender | | | | |
| Male | % | 3 | 4 | 4 |
| Female | | 9 | 4 | 5 |
| By Region | | | | |
| Hong Kong | % | 12 | 9 | 12 |
| Mainland China | | 3 | 2 | 2 |
| Overseas | | 0 | 0 | 0 |
| By Age Group | | | | |
| 30 or below | % | 15 | 4 | 6 |
| 31–50 | | 3 | 4 | 4 |
| Over 50 | | 4 | 2 | 4 |
| Employee Development and training | | | | |
| Total training hours received | hour | 91,229 | 70,342 | 75,063 |

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| Indicator | Unit | 2025 | 2024 | 2023 |
|--|--------------|---------|---------|---------|
| Percentage of Employees Trained (by Gender)^{Note a} | | | | |
| Male | % | 100 | 99 | 91 |
| Female | | 100 | 97 | 99 |
| Percentage of Employees Trained (by Employment Category)^{Note a} | | | | |
| Senior management | % | 100 | 94 | 73 |
| Middle management | | 100 | 92 | 94 |
| General staff | | 100 | 100 | 100 |
| Average Training Hours (by Gender) | | | | |
| Male | hours/person | 125 | 98 | 98 |
| Female | | 84 | 66 | 68 |
| Average Training Hours (by Employment Category) | | | | |
| Senior management | hours/person | 101 | 95 | 92 |
| Middle management | | 112 | 97 | 101 |
| General staff | | 114 | 86 | 87 |
| Supply Chain Management | | | | |
| Total number of suppliers | number | 1,723 | 1,734 | 1,589 |
| By Region | | | | |
| Mainland China | number | 819 | 817 | 841 |
| Hong Kong | | 374 | 395 | 232 |
| Other countries | | 530 | 522 | 516 |
| Employee Health and Safety | | | | |
| Work-related fatalities | person | Nil | Nil | Nil |
| Work injury cases | case | Nil | Nil | Nil |
| Lost days due to work injury | day | Nil | Nil | Nil |
| Community Investment | | | | |
| Corporate charitable donations & sponsorships | HK\$ | 384,600 | 405,640 | 375,800 |
| Volunteer Participation | | | | |
| Number of participants | person | 485 | 255 | 320 |
| Service hours | hour | 1,898 | 1,128 | 1,304 |
| Beneficiaries | | | | |
| Number of beneficiaries | person | 1,722 | 1,526 | 747 |

Note:

- a. Percentage of employees trained by category (%) = Number of trained employees in the category at the end of the reporting period/Total number of employees in the relevant category × 100%

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