



中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

Terms of Reference – Environmental, Social and Governance Committee



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**Environmental, Social and Governance
Committee**

Terms of Reference

28th May 2021

Environmental, Social and Governance Committee Terms of Reference

Constitution

1. In order to supervise the strategies, policies and guidelines on the environmental, social and governance issues of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the "Company") and its subsidiaries; and to develop and implement environmental, social and governance works including social responsibility, environmental protection and charity and community works. The board of directors of the Company (the "Board") established an Environmental, Social and Governance Committee ("Committee") on 28th May 2021 and approved its terms of reference.

Membership

2. The members of the Committee shall be appointed by the Board and shall consist of not less than four (4) members (one of them must be an executive director). The Committee members are composed of an executive director, a deputy general manager and a representative of each of Shipping Services Division, Executive Division, Strategy Development Division, Human Resources Division and Public Relations Division. A quorum for the meeting shall be three (3) committee members.
3. The chairman of the Committee shall be appointed by the Board. In his absence, committee members present may elect another member to chair the committee meeting.
4. The withdrawal of an appointment of committee member(s) or an appointment of an additional committee member(s) should be passed by a resolution(s).

Attendance at meeting

5. The Committee may, from time to time, invite any Board member or senior management of the Company or any other person to attend any of its meetings so as to ensure that the Committee can better perform its duties and obligations.
6. The Company Secretary or his or her delegate or such other person appointed by the chairman of the Committee shall be the secretary of the Committee.

Frequency and procedure of meeting

7. Committee meeting(s) shall be held at least once a year. The members of the Committee may, from time to time, adopt the procedure governing the convening of committee meetings, the means and procedure for passing the resolutions at committee meetings.
8. Resolutions could be passed in writing by majority members of the Committee.

9. The complete meeting materials and Committee minutes should be kept by the Company Secretary. The meeting documents and the Committee minutes should be sent to all Committee members within a reasonable period of time before and after the meeting(s), in order to keep the Committee members informed and to make decisions on the proposed issue(s) and for records.

Authority

10. The Committee is authorised by the Board to carry out the following matters in accordance with its terms of reference,
 - (a) to review, evaluate and make recommendations on any matters as stated in the terms of reference for the Board's approval;
 - (b) obtain appropriate resources and apply for training which are considered necessary to perform its duties;
 - (c) to seek independent advice from external professionals (if necessary) and may invite those external professional(s) to attend the Committee meeting(s) at the Company's expense;
 - (d) obtain any required information from any employees of the Company to discharge duties, and require the employees to attend the Committee meeting to answer questions if necessary; and
 - (e) to disclose its role and functions in the relevant section(s) in the Company's annual report, and explain of its authorization given by the Board.

Duties

11. To assist the Board to monitor the implementation and effectiveness of environmental, social and governance policies and practices of the Company, and report and make recommendations to the Board.
12. To assist the Board to identify, evaluate and manage the Company's risk, opportunities and major issues in relation to environmental, social and governance aspects, and report and make recommendations to the Board.
13. To assist the Board to formulate appropriate environmental, social and governance goals, and regularly evaluate the progress of the environmental, social and governance goals, review the effectiveness and suitability of related improvement measures, report and make recommendations to the Board.

14. To assist the Board in reviewing and approving the Company's environmental, social and governance initiatives, as well as reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements.
15. To organise the preparation of the environmental, social and governance report annually, including to setup a relevant data collection system to facilitate the report preparation.
16. To assist the Board in reviewing the Company's public communications, disclosures and publications on environmental, social and governance performance, and make recommendations to the Board.
17. To take appropriate actions to perform other duties in relation to the above matters that considered important.

Other procedures

18. The secretary of the Committee, in consultation with the chairman of the Committee, should be responsible for drawing up the agenda of the Committee meeting. The secretary of the Committee shall assist the chairman of the Committee and ensure that all Committee members shall have sufficient information in a timely manner to enhance the effectiveness of the Committee meeting.
19. The secretary of the Committee shall circulate the draft and final version of the minutes of each meeting to all committee members for their comment and records within seven (7) working days after each meeting.
20. All decisions reached at the Committee meeting must be reported to the Board.
21. The Committee must report to the Board on its work, decisions and/or recommendations at least once a year, and in a timely manner.
22. This terms of reference shall be updated and modified accordingly in response to changes in the market environment and statutory requirements, and should be approved by the Board ensuring that the amendment(s) is/are fully comply with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other relevant regulatory requirements.