



中远海运发展股份有限公司  
COSCO SHIPPING DEVELOPMENT CO.,LTD.



*Harnessing Industry-  
Finance Synergy to Deliver Responsibility*

# 2025 COSCO SHIPPING Development Co.,Ltd. Sustainability Report

# About This Report

## Overview

This Report is the tenth sustainability report for stakeholders. It discloses the opportunities and challenges faced by COSCO SHIPPING Development Co., Ltd. ("COSCO SHIPPING Development") in its pursuit of sustainable development as well as its efforts to enhance the economic, social and environmental value for stakeholders by weaving social responsibility into corporate management.

## Reporting Period

This Report covers the period from January 1 to December 31, 2025, and includes additional information beyond the stated reporting period.

## Scope

We have thoroughly considered the impact of our operations on the environment, society, and governance within COSCO SHIPPING Development, as well as the consolidated scope of our annual financial statements, to determine what to include in this Report. This Report encompasses the business activities of COSCO SHIPPING Development and all its affiliates and subsidiaries. It also includes information pertaining to China COSCO SHIPPING Corporation Limited.

## Reporting Cycle

This Report is published annually.

## References

This Report complies with the requirements for information disclosure and corporate governance set out in the *Guidelines No. 1 for Self-Regulation of Listed Companies—Standardized Operation* issued by the Shanghai Stock Exchange (SSE). It is prepared in accordance with the *Guidelines No. 14 for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the *Guide No. 4 for Self-Regulatory Supervision on Listed Companies—Compilation of Sustainable Development Reports* (No. 1 General Requirements and Disclosure Framework), and the *Guide No. 4 for Self-Regulatory Supervision on Listed Companies—Compilation of Sustainable Development Reports* (No. 2 Climate Change Response) issued by the SSE, as well as Appendix C2 *Environmental, Social and Governance Reporting Code* to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. On this basis, the Report also draws on relevant domestic and international standards and guidelines, including the *SDG Compass* published by the United Nations.

## Principles

**Materiality:** Following the material topic identification procedures set out in Appendix C2 *Environmental, Social and Governance Reporting Code* to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the SSE's *Guidelines No. 14 for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, this Report uses materiality analysis tools to identify and evaluate key topics, and addresses the crucial sustainability aspects that stakeholders are concerned about.

**Quantification:** This Report discloses quantitative data for key environmental and social performance indicators. For major metrics, it clarifies the reporting boundaries and calculation

methods to improve the comparability and reliability of the information presented.

**Balance:** This Report provides an unbiased picture of the Company's performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by its readers.

**Consistency:** The disclosure and calculation methods used in this Report are, overall, consistent with those used in the 2024 report. Any modifications have been clearly explained within the document.

## Data Source

Information and data in this Report come from internal documents and statistical information of COSCO SHIPPING Development.

## Abbreviations

For the purpose of this Report, COSCO SHIPPING Development Co., Ltd. (hereinafter referred to as "COSCO SHIPPING Development," "the Company," or "we"), China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING Group" or "the Group"), the Division of Shipping Leasing ("SL Division"), Florens International Company Limited ("Florens"), Shanghai Universal Logistics Equipment Co., Ltd. ("Shanghai Universal"), Dongfang International Container (Lianyungang) Co., Ltd., Dongfang International Container (Guangzhou) Co., Ltd., Dongfang International Container (Jinzhou) Co., Ltd., Dongfang International Container (Qidong) Co., Ltd., Dongfang International Container (Ningbo) Co., Ltd., and Dongfang International Container (Qingdao) Co., Ltd. under Shanghai Universal (respectively referred to as "DFIC Lianyungang," "DFIC Guangzhou," "DFIC Jinzhou," "DFIC Qidong," "DFIC Ningbo," and "DFIC Qingdao"), and Shanghai Universal Logistics Technology Co., Ltd. ("SULT") are abbreviated as stated above.

## Report Compilation Process



## Access to This Report

This Report is published in Simplified Chinese, Traditional Chinese, and English. For any discrepancies between the three versions, the Simplified Chinese version shall prevail. You can download an electronic version from our official website: <http://development.coscoshipping.com/>.

If you need a printed version of this Report or have any suggestions, please contact us.  
Tel.: 021-6596 9148  
Email: [ir@coscoshipping.com](mailto:ir@coscoshipping.com)

# Contents

## About This Report

Message from the Chairman	01
About Us	03
Honors and Awards	05

## 01 Strengthening Governance to Anchor Resilient Growth

Corporate Governance	09
Risk Management	11
Business Ethics	13
Supply Chain Management	15

## 04 Advancing Low-Carbon Transition to Unlock Green Industry Synergies

Strengthening Environmental Management	45
Addressing Climate Change	51

## 02 Delivering Responsible Value Through Commitment

Board Statement	19
Sustainability Management Structure	20
Sustainability Philosophy and Commitment	22
Sustainability Due Diligence	23
Stakeholder Communication	24
Double-Materiality Analysis	25

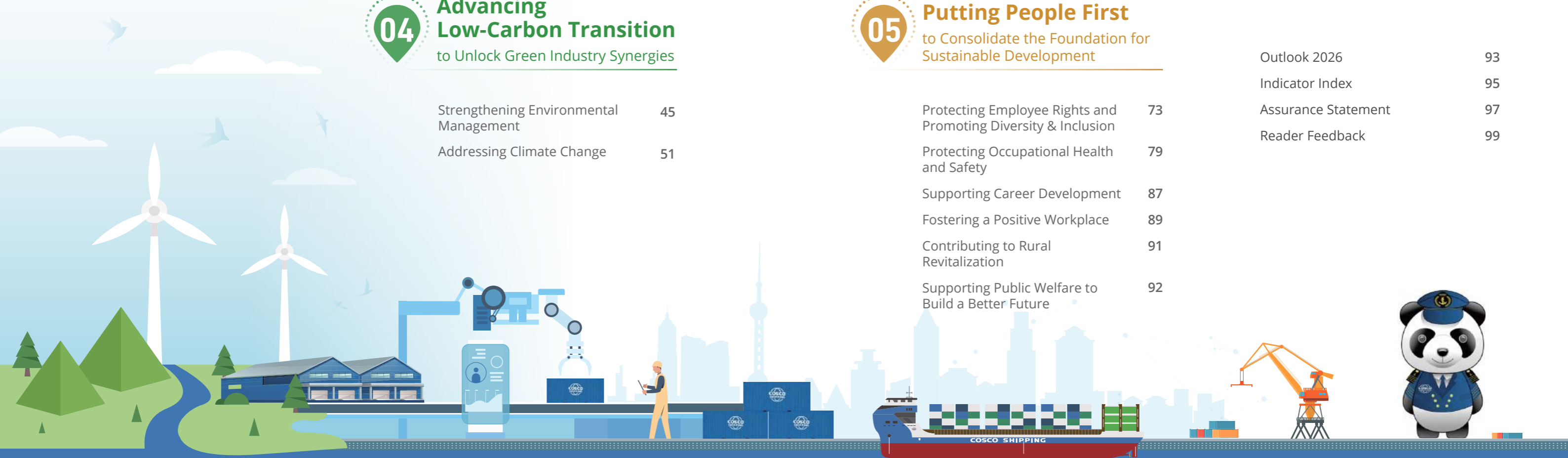
## 05 Putting People First to Consolidate the Foundation for Sustainable Development

Protecting Employee Rights and Promoting Diversity & Inclusion	73
Protecting Occupational Health and Safety	79
Supporting Career Development	87
Fostering a Positive Workplace	89
Contributing to Rural Revitalization	91
Supporting Public Welfare to Build a Better Future	92

## 03 Driving Innovation to Strengthen Core Competitiveness

Optimizing Asset Allocation and Strengthening Industry-Finance Synergy	29
Focusing on Core Technologies to Drive Industry Upgrading	30
Delivering Quality and Customer Value	38
Upholding Information Security and Privacy	41

Outlook 2026	93
Indicator Index	95
Assurance Statement	97
Reader Feedback	99



# Message from the Chairman

In 2025, as the global economy underwent a profound transformation, the shipping industry continued to navigate a challenging environment. We focused on integrating industry and finance, advancing industry-finance synergy as a core development strategy while demonstrating corporate responsibility through concrete actions. We believe that deeper integration of industry and capital unlocks stronger momentum, while aligning responsibility with proactive action underpins steady and sustainable growth.

## Industry-Finance Synergy to Unlock Greater Value

In 2025, we firmly focused on our core shipping logistics businesses, enhancing integration across container manufacturing, shipping leasing, container leasing, and investment management. By further combining industry and finance, we continued to support the high-quality development of the modern shipping value chain.

### Container Manufacturing: Deepening Our Focus on Equipment Manufacturing

We strengthened logistics equipment manufacturing capabilities. By the end of 2025, we remained the world's second-largest container manufacturer. We increased investment in specialized container R&D and launched nearly 50 new products during the year, building a portfolio of high-value-added solutions. Our custom container solutions address diverse market needs. DFIC Ningbo was recognized as a national Excellent Smart Factory, among the first in the industry to receive this designation, demonstrating advanced intelligent manufacturing capabilities.

### Shipping Leasing and Container Leasing: Building a Reservoir of Shipping Assets

Leveraging our professional expertise, we supported the upgrade of the fleet structure. During the year, we delivered 40 industry-finance cooperation projects, further expanding our fleet. By the end of 2025, we were a leading player in China's ship leasing sector. We pioneered the "Hainan + RMB" industry-finance model, creating an integrated platform for onshore, cross-border, and offshore operations. The model has been successfully applied in multiple projects, channeling financial resources to support the shipping industry.

We enhanced full-lifecycle container asset management and integrated data flows across container manufacturing, leasing, and transportation to improve end-to-end coordination. By the end of 2025, our container fleet exceeded 4.1 million TEU, ranking third globally in container leasing. We expanded into emerging markets, unlocking synergies between leasing and manufacturing and strengthening our diversified, global service capabilities.

### Investment Management: Enabling Connectivity Across the Shipping Ecosystem

We optimized resource allocation to enhance investment value. With a focus on strategic emerging industries, we explored innovative investment and logistics asset operation models, supporting the high-quality development of industry-finance integration in shipping.

## Delivering Greater Social Responsibility Through Action

In 2025, we embedded sustainable development into every aspect of our operations, advancing green development, technological innovation, compliance and governance, and corporate social responsibility with concrete actions.

### Green Development: Safeguarding Blue Skies and Clear Waters

In green production, the world's first Container Carbon Footprint and Environmental Product Declaration (CFP & EPD) Platform was included in the *Blue Book on ESG for Listed Companies of Central State-owned Enterprises (2025)* published by SASAC of the State Council. All six of our manufacturing facilities are now certified as national-level green factories. In green business, building on the carbon footprint platform, we support the development of industry standards and have introduced green certification labels. Innovative products such as bio-based reefer containers are helping drive the industry's green transition. Our "green transport" initiatives help reduce emissions across logistics and support a greener container value chain. In green assets, our world's first 700-TEU battery-powered container ship continued to operate reliably. It has sailed nearly 70,000 kilometers and reduced carbon emissions by more than 3,170 tonnes. We also introduced a "green ship with green containers" application scenario, supporting the transition of shipping assets toward greener value portfolios. In green finance, we issued the first technology-innovation bond for the low-carbon transition of the shipping sector. During the year, total green, low-carbon transition and sustainability-related financing reached approximately RMB 6.5 billion. Green sustainable development has become a defining hallmark of our high-quality growth.

### Technological Innovation: Empowering Industrial Upgrading

We increased R&D investment and deepened ongoing collaboration with leading universities in China, promoting the application of advanced technologies such as production line simulation and industrial algorithms. SULT was recognized as a "specialized and sophisticated" SME in Shanghai. Leveraging our technological capabilities, we developed innovative products, including 45-foot railway reefer containers, bio-based reefer containers, and reinforced containers, unlocking new applications. We advanced digital transformation by upgrading the industry-finance platform portal, enhancing the iFlorens platform, and launching the yard management system. Technological intelligence is becoming a core driver of our high-quality development.

### Compliance and Governance: Strengthening the Foundation of Development

We enhanced the modern governance framework and implemented the updated *Company Law of the People's Republic of China*. We optimized Board operations, strengthened internal controls and enterprise-wide risk management, and received the SSE's highest A rating for information disclosure again. We strengthened the comprehensive oversight framework, improved the supplier blacklist system, and enhanced integrity risk management in key areas. We are committed to fostering a diverse, inclusive, safe, and healthy workplace, protecting employees' legitimate rights and interests and providing clear career development pathways. Compliance and prudent governance remain the solid foundation of our high-quality development.

### CSR: Delivering on Our Mission

Leveraging our industry strengths, we continue to support improvements in education and cultural tourism conditions in Luolong County, Xizang. We encourage employees to engage in volunteer service and community initiatives, promoting shared progress between the Company and society. We believe an enterprise's value lies not only in creating wealth, but also in delivering sustainable value to society through responsible action. Responsibility remains an essential purpose of our high-quality development.

As the 14th Five-Year Plan concludes successfully, we embark on the 15th Five-Year Plan. We will continue to leverage our industry-finance integration model to integrate resources, create value, and support the development of a modern shipping system, fulfilling our responsibilities with pragmatic action and honoring the trust placed in us. Together with our global partners, we will seize opportunities amid change, open new horizons through sustained effort, and shape a more dynamic and promising future.

Zhang Mingwen, Chairman of COSCO SHIPPING Development Co., Ltd.



# About Us

COSCO SHIPPING Development Co., Ltd. (the "Company"), a subsidiary of China COSCO SHIPPING Corporation Limited (the "Group"), specializes in integrated shipping, logistics, and industry-finance operations. Established in 1997 and headquartered in Shanghai, the Company is publicly traded in both Hong Kong and Shanghai. With its focus on shipping and logistics industry, the Company is committed to developing container manufacturing, container leasing and shipping leasing businesses chain as the core businesses to achieve the integrated development of production-finance-investment through investment management.

## Container Manufacturing

We are primarily engaged in the R&D, manufacturing, and sales of ISO dry containers, reefer containers, and specialized containers. As the world's second-largest container manufacturer, our client base includes leading global liner companies and major container leasing firms. We remain focused on customer needs, refining our resource allocation and product mix while improving "container+" customization capabilities. By advancing intelligent container manufacturing and pursuing technological innovation and green, low-carbon development, we enhance product competitiveness and work toward becoming a world-class logistics equipment technology enterprise.

## Shipping Leasing

We specialize in operating and finance leasing of container vessels, dry bulk carriers, and other vessel types, ranking among the leading players in China's ship leasing market. Seizing opportunities in the green and low-carbon transformation of the shipping industry, we are optimizing internal and external resource allocation, fully leveraging industrial chain synergies, and strengthening industry-finance collaboration. By focusing on service needs throughout the lifecycle of various shipping assets, we continue to innovate our products and services, enhance customized service capabilities, and deliver high-quality solutions for fleet development in the shipping industry.

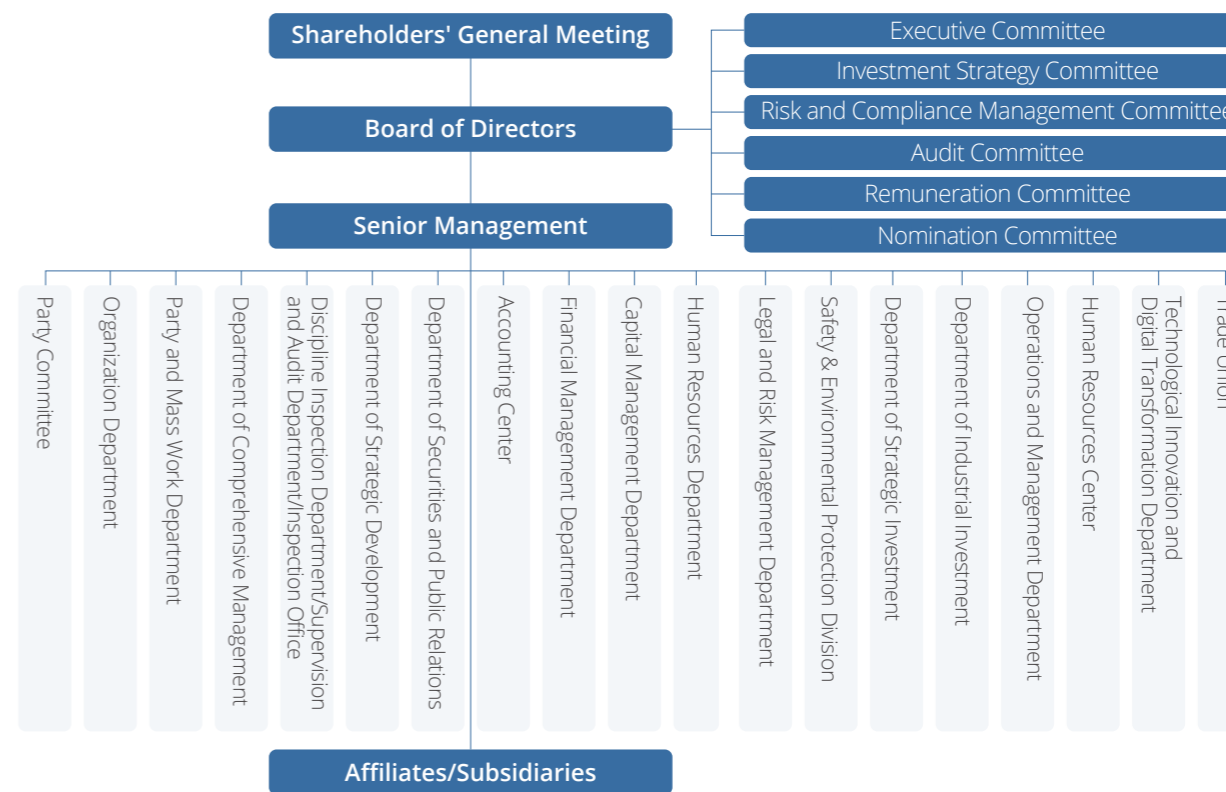
## Container Leasing

We primarily engage in container leasing, management, and sales, ranking No. 3 globally by scale, with a global operating footprint. We continue to build a deeper understanding of customer needs, strengthen lifecycle management of container assets, and improve specialized services. Through digital tools, we optimize our global operating network, respond more effectively to demand, and enhance the customer experience.

## Investment Management

We center investment activities on our core shipping and logistics businesses, strengthen industry-finance integration, and continuously refine our investment portfolio to achieve synergies between capital and industry. We also respond to developments in the shipping industry, focus on strategic emerging industries, and, in alignment with our core business development, continue to explore innovative investment approaches and new models for logistics asset operations.

Indicator	2023	2024	2025
Designed annual container production capacity (TEU)	1,440,000	1,440,000	1,440,000
Container fleet capacity (TEU)	3,840,000	4,010,000	4,170,000
Container ship capacity (TEU)	583,700	589,500	587,400
Bulk carrier capacity (DWT)	4,199,400	4,613,700	4,616,300
Specialized ship capacity (DWT)	649,800	616,600	677,800



Organizational Structure

## Our Culture

Pursuing "Excellence" and upholding the core values of "Integrity, Efficiency, Proactiveness, and Mutual Benefit," we use our distinct strengths in the shipping industry chain to increase the value of capital flows within the maritime logistics ecosystem. Our goal is to become a world-class shipping and finance service operator with COSCO SHIPPING characteristics. In 2025, we carried out various cultural engagement and practice activities to help employees fully embrace and maintain this culture. These efforts have integrated our cultural values more deeply into strategic transformation, business operations, and employee conduct, fostering broad alignment and internal momentum to support high-quality development.



# Honors and Awards

- COSCO SHIPPING Development's "Container Carbon Footprint & Environmental Product Declaration" (CFP & EPD) Platform was selected as a 2025 "Golden Pinnacle" Excellent Case for Green Development Practices by CNR Network Finance Center.
- COSCO SHIPPING Development received the highest 5A rating in the "Board Secretary Performance Evaluation for Listed Companies in 2025" conducted by the China Association for Public Companies.
- COSCO SHIPPING Development's case study, *The World's First Container CFP & EPD Platform: Launching a Green Transformation Across the Entire Value Chain*, was included in the *Blue Book on ESG for Listed Companies of Central State-owned Enterprises (2025)* published by the Social Responsibility Bureau of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council.
- COSCO SHIPPING Development received the "GoldenBee Excellent CSR Report – Evergreen Award (One Star)" for the fourth consecutive year, while Shanghai Universal was awarded the "GoldenBee Excellent CSR Report 2025 – Environmental Responsibility Disclosure Award."
- COSCO SHIPPING Development won the "2025 Best ESG Practice Award for Listed Companies" and the "2025 Excellence Award for Investor Relations Development of Listed Companies."

## December

- COSCO SHIPPING Development was named among "China's Top 100 ESG Listed Companies" and "China's Top 100 ESG Listed Central State-owned Enterprises (SOEs)" by CCTV.
- COSCO SHIPPING Development received the highest A rating from the SSE for information disclosure performance in 2024-2025.

## October

## November

- The world's first Container CFP & EPD Platform, developed by COSCO SHIPPING Development, was recognized as a 2025 "Best Practice Case for Sustainable Development of Listed Companies" by the China Association for Public Companies.
- COSCO SHIPPING Development received the "2025 Golden Bull Award for Social Responsibility (Hong Kong-listed Companies)" from China Securities Journal.
- Four container factories of Shanghai Universal received awards at the inaugural China Equipment Maintenance and Modification Conference. To be specific, DFIC Lianyungang received Grand Prize for its "Intelligent Upgrading and Innovation in Container Manufacturing" project; DFIC Qidong was awarded First Prize for its "All-Scenario Intelligent Integration Equipment for Energy Storage Container Packs" project; DFIC Qingdao earned Second Prize for its "Binocular 3D Vision and Multi-Axis Robotic Arm Intelligent Feeding System," and DFIC Jinzhou won Third Prize for its "Intelligent Drying System for Water-Based Container Coatings."
- Florens' digital innovation project, "Advancing AI Capabilities Across the Container Leasing Value Chain: Practical Applications of Artificial Intelligence in Container Leasing," won Third Prize at the 2nd "AI+" Industry Intelligent Algorithms Innovation Competition.
- Shanghai Universal received 15 awards at the 2025 (10th) China Equipment Management Conference and the 5th Academic Forum on Artificial Self-Healing and Equipment Autonomous Health, including "Equipment Management Leader," "Equipment Engineering Expert," "Equipment Technology Expert," and "Innovation Team."

- COSCO SHIPPING Development received multiple honors at the 7th National Conference on Exchange of Equipment Management and Technological Innovation Achievements. DFIC Ningbo's project, "Application of a Digital and Intelligent Container Manufacturing System," won First Prize. Shanghai Universal's project, "An Efficient Industry-Academia-Research Integrated Training Model for Equipment Talents," together with five container factories, including DFIC Jinzhou, received Second Prize.

## July

## May

- COSCO SHIPPING Development was included in *S&P Global's Sustainability Yearbook (China Edition)* for the third consecutive year, and once again received the "Industry Mover" distinction.

## September

- COSCO SHIPPING Development's Board Secretary received the 11th "Best Board Secretary: Five-Year Achievement Award" from Sina Finance.
- COSCO SHIPPING Development ranked 15th on CCTV's "Top 100 ESG Pioneers in the Yangtze River Delta" list.
- DFIC Ningbo was among the first container manufacturers recognized as "National Excellence-Level Smart Factory."
- Florens' iFlorens Container Trade Platform won the Bronze Pioneer Award (DT Award) at the 4th Global Digital Trade Expo.

- DFIC Qidong was awarded "2025 Outstanding Supporting Products Supplier in China's Energy Storage Industry" at the 15th China International Energy Storage Conference and Exhibition (CIES).

## March

## January

- Florens' "Global Digital Disposal of Decommissioned Containers Project" won the Third Prize at the 4th Central Enterprise Yixing Innovation and Creativity Competition organized by SASAC.
- Two projects from DFIC Qidong, namely "Efficient VOCs Treatment Using Zeolite Rotor and RTO Technology" and "Cabinet-Type Marine Mobile Power Supply for Green Ship Transformation," were recognized as "2024 Outstanding Projects of Container Green Technology" by the China Container Industry Association (CCIA).



# 1

## Strengthening Governance

to Anchor Resilient Growth

Observance of laws, regulations, and business ethics constitutes an inviolable baseline and the cornerstone of our sustainable development.

Guided by the commitment to "Excellence," COSCO SHIPPING Development upholds "Integrity, Efficiency, Proactiveness, and Mutual Benefit" as core values. We continue to refine our governance framework and decision-making processes, and strengthen company-wide risk management and internal controls. Through responsible governance, we seek to create enduring value and work alongside our stakeholders to promote a healthy, well-ordered, and sustainable industry.



# Corporate Governance

In strict compliance with the *Company Law of the People's Republic of China* and the *Articles of Association*, COSCO SHIPPING Development has established a governance structure with clearly defined roles and responsibilities among the Shareholders' General Meeting, the Board of Directors ("the Board"), and senior management. The Board has established six specialized committees: the Executive Committee; the Investment Strategy Committee; the Audit Committee; the Remuneration Committee; the Nomination Committee; and the Risk and Compliance Management Committee. We place strong emphasis on Board composition and effectiveness. We have executed a statement regarding independent directors and developed and published a policy to diversify the Board. We undergo an annual assessment by the SSE against relevant governance standards and continue to strengthen the effectiveness and quality of our governance practices.

## Governance Enhancement Priorities for 2025

**Strengthening governance through reform**

In 2025, we implemented the reform of the Board of Supervisors in line with applicable SOE governance requirements, completing a smooth transition and consolidating its supervisory responsibilities. At the first extraordinary general meeting of the year, shareholders approved amendments to the *Articles of Association* and 11 related governance policies, and the Audit Committee assumed the functions of the Board of Supervisors. As the Audit Committee took on an expanded oversight role, internal audit was strengthened across business operations, risk management, internal controls, and financial information review, achieving more integrated and effective supervision. During the year, we held over 40 meetings and reviewed more than 100 proposals. Enhanced reporting processes, together with site visits and training for directors, helped support the Board in discharging its duties effectively and operating in a compliant and efficient manner.

**Strengthening investor engagement to build value recognition**

We maintained active dialogue with the capital markets. In 2025, we held more than 60 in-depth engagements with domestic and international investors through earnings briefings, roadshows, brokerage conferences, and online exchange platforms. We also continued to engage with minority and retail shareholders, responding promptly to their concerns and safeguarding their interests.

**Improving disclosure quality**

We fully comply with the listing requirements of both A-share and H-share markets and maintain rigorous standards in the release and preparation of disclosures. Effective internal coordination ensures that information is "faithfully, accurately, completely, timely, and fairly presented." During 2025, we issued 268 A-share and 281 H-share disclosure documents, including periodic reports and the Sustainability Report. Readability was enhanced through the selective use of multimedia formats, accompanied by proactive market communication to articulate our value. During the reporting period, we again received the highest A rating in the SSE's information disclosure evaluation.

**Leveraging integrated communications to enhance brand profile**

We developed integrated communications initiatives to highlight our progress in technological innovation, intelligent manufacturing, digital transformation, and green, low-carbon development. We also enhanced our communications platforms, strengthened ongoing public sentiment monitoring and brand reputation management, and maintained a stable and positive media profile, with growing brand visibility.

### Key Performance Highlights

#### 2025

- Board structure: The Board comprises **8** directors, all with extensive experience in the industry. It includes **2** executive directors, **3** non-executive directors, and **3** independent non-executive directors. **1** director is female, and **2** directors possess professional expertise in risk management.
- Board and senior executives training: Board members participated in **7** training sessions during the year, with **24** attendees recorded. Senior management completed **7** training sessions, with a total of **13** attendees.
- Shareholder returns: We paid RMB **540** million in dividends, comprising a 2024 final dividend of approximately RMB 250 million and a 2025 interim dividend of approximately RMB 290 million. Amid market volatility, we demonstrated confidence in our long-term prospects through three consecutive rounds of A- and H-share repurchases. In the first two rounds, approximately **350** million shares were repurchased for a total consideration of around RMB **510** million and subsequently canceled during the reporting period, supporting market stability. The third repurchase plan was approved at the first extraordinary general meeting on September 23, 2025. As of December 31, 2025, we had repurchased **16,516,000** A shares and **18,642,000** H shares.



# Risk Management

COSCO SHIPPING Development regards effective risk management as fundamental to operational stability and sustainable growth. Risk management provides the overarching framework for our operations. Risk mitigation measures are carried out through the internal control system, with compliance management strengthened accordingly to ensure that all business activities adhere to applicable laws, regulations, regulatory requirements, and internal policies. Together, these elements function as an integrated and coordinated whole.

We consider strengthening world-class, rule-of-law governance a central measure to improve compliance in our operations. Our legal and risk management work is guided by four principles: alignment with corporate strategy, proactive prevention, service support, and integration into business processes. In 2025, we issued the *Regulations on the Reporting of Major Operational Risks and Risk Events*, further reinforcing our risk management infrastructure, and revised the *Administrative Measures for Legal Dispute Management* to reinforce legal compliance safeguards. In addition, we established a dedicated risk management performance evaluation system and introduced quantitative compliance, risk, and internal control metrics across subsidiaries. These include credit risk limit metrics, compliance risk event metrics, internal control deficiency remediation metrics, and other mandatory metrics, further enhancing the effectiveness of risk and compliance management.

## Risk Management Priorities for 2025

 <p><b>Strengthening the risk management framework</b></p> <p>We enhanced look-through oversight through stronger coordination at headquarters, closer cross-segment collaboration, and clearly defined accountability at each level. On-site reviews, targeted inspections, coordinated supervision, and formal escalation reviews of major risk events were conducted to improve visibility into underlying risk exposures.</p>	 <p><b>Enhancing an integrated risk control system</b></p> <p>We strengthened risk management, focusing on ongoing monitoring and process optimization. Risk indicators were dynamically assessed and refined to improve their relevance and alignment with business activities. Coordination across the three lines of defense was strengthened, together with more robust remediation and post-review processes.</p>	 <p><b>Advancing rule-of-law governance through six priority initiatives</b></p> <p>We implemented six priority initiatives, including digital and intelligent compliance systems and the development of legal talent, supported by 23 targeted measures. These efforts strengthened the governance framework and provided a solid legal foundation for our sustainable growth, while supporting the Group's broader goal of becoming a leading rule-of-law enterprise.</p>
 <p><b>Establishing a dynamic closed-loop risk management process</b></p> <p>Annual risk trends were systematically assessed, with departments developing tailored response measures and clearly defined responsibilities. A closed-loop mechanism covering risk identification, mitigation, and feedback was reinforced. The risk indicator framework was further refined and monitored monthly to ensure that core indicators remained within approved thresholds, thereby supporting disciplined business operations.</p>	 <p><b>Enhancing internal controls using innovative tools</b></p> <p>We embedded compliance review requirements into legal review and risk assessment processes. An artificial intelligence (AI)-enabled policy inquiry system covering all headquarters-level regulations was launched. Centralized management of anti-bribery undertakings and blacklist controls was further strengthened. We also explored quantitative approaches to assessing internal control effectiveness and enhancing coordination with audit functions. These measures improved the digital enablement, standardization, and coordination effectiveness of the internal control framework.</p>	

## Two Long-term, Emerging Risks with the Greatest Impact on Our Future Operations

Risk	Changes in the International Trade Landscape	Shipping Market Volatility
 <b>Description and Impact</b>	<ul style="list-style-type: none"> <li>Slower global trade growth, the rise of regional trade agreements, continued tariff uncertainty, and adjustments in supply chain structures are reshaping the global trade landscape, resulting in diverging economic growth patterns and shifting trade flows that may affect global shipping demand.</li> </ul>	<ul style="list-style-type: none"> <li>In the near term, the global shipping market—particularly the container segment—may face weak demand, persistent geopolitical risks, supply chain adjustments, and uncertainty in trade policies. These factors could affect the balance between shipping capacity and demand and overall market conditions.</li> </ul>
 <b>Mitigation Strategies</b>	<ul style="list-style-type: none"> <li>Establish a real-time tracking mechanism for international trade-related policies. Timely obtain and analyze reports from authoritative international institutions, closely monitor relevant developments, and incorporate findings into business planning, risk alerts, strategy adjustments, and process controls.</li> <li>Enhance diversification by actively expanding into emerging markets and broadening supply and demand channels to reduce reliance on any single country or region and disperse risk.</li> <li>Strengthen coordination with key clients by establishing a monthly demand alignment mechanism. Provide tailored solutions, improve after-sales responsiveness, stabilize overall market share, and mitigate the impact of demand volatility on orders.</li> <li>Intensify marketing efforts, establish dedicated service teams for key clients, and adjust pricing strategies in line with customer route deployment and leasing needs to improve order conversion and customer retention.</li> </ul>	<ul style="list-style-type: none"> <li>Support the shipping capacity development plan, consolidate foundational income-generating assets, and explore ship financing opportunities in emerging markets.</li> <li>Establish supply-demand monitoring and early-warning mechanisms to track price trends and competitor developments, and regularly collect external market risk information.</li> <li>Mitigate market volatility through long-term procurement and leasing contracts, supported by price adjustment clauses, to strengthen resilience and risk management capacity.</li> <li>Strengthen customer engagement and communication to better understand demand, enhance value-added services, and improve customer retention. Conduct regular demand reviews, dynamically track customer inventory reduction and route adjustments, build a dynamic demand database, and better anticipate new container procurement timing to avoid capacity misallocation or order loss.</li> <li>Implement phased delivery plans and adjust production schedules flexibly. Coordinate with the procurement department to optimize raw material costs, support reasonable pricing for orders, avoid destructive price competition, and mitigate its impact on profitability.</li> </ul>

# Business Ethics

## I Strengthening Governance Mechanisms

COSCO SHIPPING Development strictly complies with the *Supervision Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Law of the People's Republic of China Against Unfair Competition*, the *Rules on Integrity of Executives of State-Owned Enterprises*, and other laws and regulations. We maintain zero tolerance for any conduct that violates business ethics. Our business ethics policies cover anti-fraud, anti-corruption, information confidentiality, conflicts of interest, anti-monopoly and anti-unfair competition, anti-money laundering and insider trading, environmental health and safety, and whistleblowing. These policies apply to all business activities of the Company and its subsidiaries and extend to all suppliers. Business ethics requirements are incorporated into the Employee Handbook. All employees are required to sign a *Compliance Commitment Letter* to acknowledge these requirements.

To support effective implementation, we have put in place and strengthened an integrity risk control framework led by the management and implemented across departments. Accountability for integrity management has been reinforced to ensure effective execution of business ethics policies and requirements.

## I Upholding Business Conduct Standards

### ■ Anti-Commercial Bribery and Related-Party Transaction Management

In 2025, we updated our anti-commercial bribery agreement templates, incorporating anti-commercial bribery provisions into contractual arrangements. The prevention of improper equity participation and irregular related-party transactions was reinforced as a key area of compliance management. Integrity and compliance requirements are incorporated into the Employee Handbook, and performance in fulfilling compliance responsibilities is linked to employee performance evaluations and compensation management. Any violation is subject to investigation and disciplinary action.

### ■ Anti-Unfair Competition and Anti-Monopoly Compliance

We have established the *Compliance Management Measures* as our foundational compliance policy, designating anti-unfair competition as a key compliance focus. In line with applicable laws and regulations, we issued the *Anti-Monopoly Compliance Guidelines* to clarify the characteristics of monopolistic practices and related compliance requirements, providing guidance to subsidiaries in strengthening anti-monopoly compliance.

### ■ Whistleblowing Mechanism and Whistleblower Protection

According to the *Regulations on Handling Reports and Allegations*, we have established a whistleblowing framework comprising reporting channels, supervisory inspections, review and investigation procedures, case management oversight, and a dedicated compliance reporting mailbox. These mechanisms operate with coordination and internal checks. Clear procedures, processing timelines, and case closure requirements are defined. Reporting channels are available to employees and business partners for compliance-related concerns and misconduct, and all reports are handled in a timely manner. To protect whistleblowers from retaliation, we have established a whistleblower protection mechanism. Personal information and report contents are kept strictly confidential. Whistleblower identities are concealed during investigations, and report materials or whistleblower information are not disclosed to the individuals or entities involved.

Indicator	Scope	Unit	2025
Incidents of corruption, embezzlement, and commercial bribery, and relevant lawsuits	COSCO SHIPPING Development's headquarters and subsidiaries	/	0
Incidents of conflicts of interest		/	0
Incidents of money laundering or insider trading		/	0
Amount of money involved in litigation or major administrative penalties for the Company's unfair competition during the reporting period		RMB	0

## I Strengthening Audit Oversight

We recognize audit oversight as critical to both risk control and value enhancement, and conduct annual audit programs around our responsibility to preserve and increase the value of state-owned assets. Key projects were executed in line with the audit plan, with remediation and progress tracked on an ongoing basis. Audits focused on key areas and processes, including investment decisions, tendering and procurement, overseas operations, and financial investments, to strengthen coordinated control of operational and integrity risks.

In 2025, we conducted economic responsibility audits and management effectiveness audits across our subsidiaries. In economic responsibility audits, we realized full audit coverage, with particular focus on overseas entities. Reviews centered on asset quality and operational risks, promoted the proper discharge of duties by expatriate executives, and supported improvements in the management of overseas operations. In management effectiveness audits, we strengthened coordination among inspection, discipline, and audit functions, and reinforced the linkage between inspection and rectification. Special audits were conducted alongside inspection activities to build coordinated oversight and enhance the overall effectiveness and coherence of audit supervision. A total of 21 audit projects were completed in 2025, reinforcing compliance management in key areas and mitigating operational risks.

## I Deepening Company-wide Compliance Education

COSCO SHIPPING Development continues to foster a culture of compliance, embedding compliance awareness in both mindset and practice through multi-level and diversified training and communication initiatives. In 2025, we compiled and issued the *Legal and Compliance Briefings*, conducted targeted risk training, carried out comprehensive risk assessments, and organized a series of legal awareness initiatives, including a dedicated Legal Awareness Month. These efforts enhanced employees' awareness and strengthened their compliance capabilities.



Indicator	Scope	Unit	2025
Number of directors who received anti-commercial bribery and anti-corruption training	COSCO SHIPPING Development's headquarters	person	8
Percentage of directors who received anti-commercial bribery and anti-corruption training		%	100
Duration of anti-commercial bribery and anti-corruption training received by directors		hour	69
Number of middle and senior management in China who received anti-commercial bribery and anti-corruption training		person	42
Percentage of middle and senior management in China who received anti-commercial bribery and anti-corruption training		%	100
Duration of anti-commercial bribery and anti-corruption training received by middle and senior management in China		hour	294
Number of regular employees who received anti-commercial bribery and anti-corruption training	COSCO SHIPPING Development's headquarters and subsidiaries	person	1,654
Percentage of regular employees who received anti-commercial bribery and anti-corruption training		%	100
Duration of anti-commercial bribery and anti-corruption training received by regular employees		hour	11,578

We continue to comply with the *Regulations on Ensuring Payments to Small- and Medium-Sized Enterprises* and relevant regulations supporting the private economy. Payments to SMEs and private enterprises were made in a timely manner in accordance with contractual terms to safeguard their legitimate rights and interests. During the reporting period, there were no instances of overdue payments to SMEs.

**Pre-qualification:** We implement a supplier pre-qualification system. All prospective suppliers must undergo assessments on ESG factors, business relevance, and specific risks related to their country or region, industry, and commodities. Suppliers are also required to sign the *COSCO SHIPPING Development Supplier Anti-commercial Bribery Commitment*, undertaking to comply strictly with applicable anti-commercial bribery laws and regulations and to refrain from offering cash, goods, or any other improper benefits, directly or indirectly, to Company staff. Only suppliers that pass the pre-qualification process are admitted to the supplier database.

**Self-assessment upon entry:** Before being admitted to the database, suppliers must follow the prescribed procedures and complete the *COSCO SHIPPING Development Supplier Self-Assessment Questionnaire on Compliance with Social Standards*. The questionnaire covers health and safety, environmental protection, child labor, forced labor, remuneration and working hours, anti-discrimination, employee rights, and supply chain management.



**Grading and management:** Environmental and social performance is incorporated into the supplier evaluation framework. Based on annual assessments, suppliers are classified into four grades—A through D—and subject to differentiated management, dynamic performance reviews, grade adjustments, and a blacklist mechanism to strengthen oversight. Suppliers rated C are subject to focused supervision and corrective guidance in relevant areas to drive improvement.

**Regular assessments:** Based on the actual conditions of suppliers, we have established multidimensional evaluation criteria covering ESG factors, business relevance, and specific risks. We have also formed a supplier assessment team comprising procurement experts, procurement personnel, and members of the companies requesting the products/services concerned to conduct periodic assessments. Assessment indicators include basic qualifications, cost competitiveness, contract fulfillment, product and service quality, work efficiency, business innovation, and safety and environmental impact. We prioritize suppliers who demonstrate excellence in sustainability.

## Supply Chain Management

COSCO SHIPPING Development coordinates procurement and supplier management under the oversight of senior management. Procurement activities are managed under a tiered structure, with strict separation between requesting and procurement functions, as well as between management and execution roles. A restricted-party list for affiliated enterprises is maintained. A centralized database and internal data review mechanisms have been established to support a unified, efficient, transparent, and standardized procurement management framework. Subsidiaries maintain a segregation of incompatible duties by assigning specific responsibilities and authorities to procurement positions.

In 2025, we further refined procurement-related policies, including the *Supplier Management Regulations*, which are applicable to headquarters and all wholly owned and majority-controlled subsidiaries and business units. Notably, all subsidiaries were required to establish procurement policies tailored to their operational needs. Risk management principles have been embedded in procurement activities. We strengthened internal control processes, established procurement oversight and evaluation mechanisms, and formulated contingency plans for significant procurement risks, further enhancing supply chain risk management.

Indicator	Scope	Unit	2025
Total number of suppliers	COSCO SHIPPING Development's headquarters	/	145
Number of suppliers in the Chinese mainland		/	116
Number of suppliers outside China (including Hong Kong, Macao, and Taiwan, China)		/	29
Number of suppliers during the year		/	69
Percentage of suppliers assessed during the year		%	100
Number of suppliers with significant (actual or potential) negative impacts		/	0
Percentage of suppliers prioritized on environmental and social grounds		%	100



# 2

## Delivering Responsible Value

Through Commitment

We believe that the world is a global community with a shared future and that business can make a difference through responsible actions.

COSCO SHIPPING Development continues to refine our sustainability governance framework. ESG considerations are embedded within our existing governance structure. Through systematic identification and management of ESG-related risks, we respond to capital market expectations and support high-quality, sustainable development.



## Board Statement

### Board Responsibilities

The Board of COSCO SHIPPING Development serves as the highest decision-making and supervisory body for ESG matters. It defines the Company's ESG direction and strategy, oversees ESG-related risk management, and monitors progress toward the Sustainable Development Goals (SDGs). Sustainability considerations are embedded in Board deliberations and key decisions. The Board bears the ultimate responsibility for the Company's ESG strategy and related disclosures. COSCO SHIPPING Development's Board and all directors confirm that this Report contains no false or misleading statements and no material omissions, and assume responsibility for its truthfulness, accuracy, and completeness.

### Risk Management

The Investment Strategy Committee under the Board oversees ESG-related risk management. The Committee dynamically identifies and updates major global risks, including ESG risks, throughout the year, and regularly reports its analysis and research findings to the Board. These processes support informed decision-making on material sustainability matters and contribute to the effective operation of the Company's risk management system.

### Materiality Analysis

The Board plays an active role in identifying, assessing, and prioritizing material topics. Taking into account the changing internal and external environments, corporate strategy, and stakeholder feedback, it determines sustainability priorities and conducts a systematic identification and assessment of ESG topics with double materiality. During the reporting period, we identified 17 material topics, including 3 ESG topics assessed as material under a double materiality approach, which were subject to enhanced disclosure.

### Target Tracking

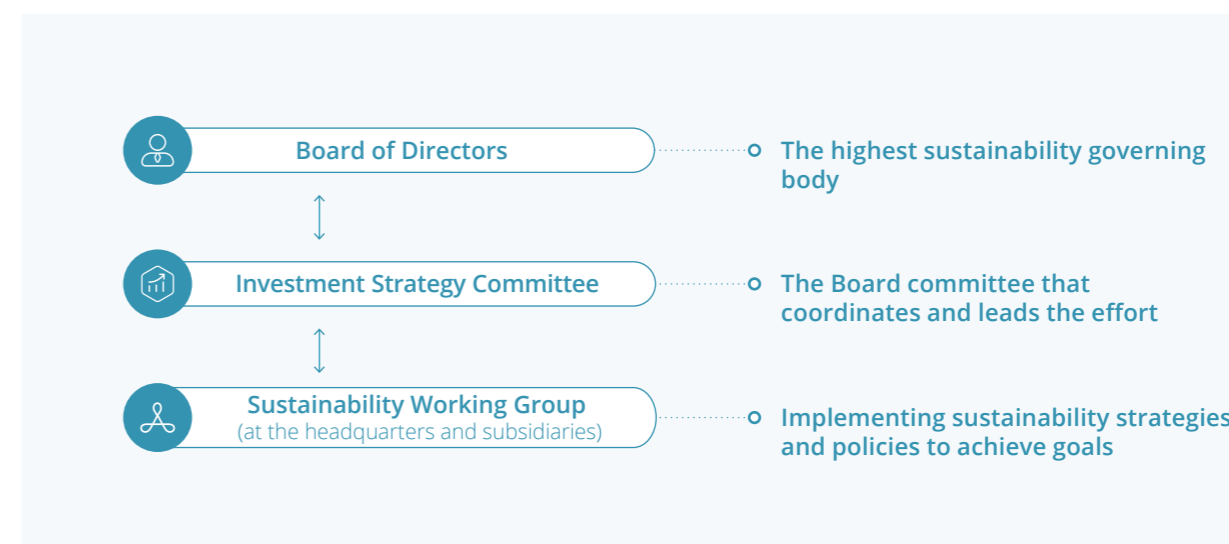
We have established sustainability-related targets, including a greenhouse gas (GHG) reduction target to decrease carbon intensity per RMB 10,000 of revenue by 19% by 2025 and 34% by 2030 from a 2019 baseline; an annual GHG emissions target of 0.0931 tCO<sub>2</sub> per RMB 10,000 of revenue in 2025; and a long-term safety objective to "comprehensively prevent and address significant workplace safety and environmental risks, eliminate major accident hazards, eradicate safety and environmental incidents that create major or significant liability, prevent accidents/incidents that create serious liability, and reduce minor and less severe accidents/incidents." The Board closely oversees the implementation of key sustainability priorities and targets. It monitors progress on major initiatives, maintains oversight throughout the process, and regularly reviews performance against established objectives.

## Sustainability Management Structure

We have established a three-tier sustainability management structure comprising the Board, the Investment Strategy Committee, and the Sustainability Working Group. This structure provides overall leadership, coordination, and oversight of sustainability matters, with the Board serving as the ultimate governing body for sustainability.

The Investment Strategy Committee acts as the central coordinating and guiding body within the structure. In accordance with the *Working Rules of the Investment Strategy Committee of the Board of Directors*, the Committee analyzes and studies global political, social, and environmental risks and opportunities that may affect the Company. It oversees the implementation of sustainability strategies, related policies, and ESG performance, and makes decisions on major sustainability issues.

The Sustainability Working Group, comprising headquarters departments and subsidiaries, manages sustainability practices and ESG performance indicators in accordance with the *Sustainability Compliance Management Policy* and the *ESG Index Management and Operation Manual*, and reports regularly on work progress.



Sustainability Management Structure

The highest governing body within our ESG governance structure is composed of seasoned professionals in areas including accounting, shipping finance, capital operations, and container manufacturing. They bring extensive experience in corporate risk management and are well-positioned to oversee progress toward SDGs. Members of the ESG governance structure regularly receive updates on sustainability-related impacts, risks, and opportunities through the *ESG Monthly Report* and the risk and public-opinion monitoring mechanisms. These aspects are managed in accordance with the Company's sustainability strategies and the *Sustainability Compliance Management Policy*.

We have conducted multiple ESG-focused training programs to deepen the Board and management's understanding of sustainability issues and strengthen their practical capabilities. In 2025, members of the Board and management participated in training organized by the SSE, focusing on ESG disclosure guidelines and evaluation frameworks. The Board also participated in training programs, including sessions on the *Corporate Governance Code*, to further strengthen its understanding of corporate governance and sustainability requirements.

ESG Governance Structure and Expertise

- 
**• Mr. Zhang Mingwen** Chairman, Secretary of the Party Committee, Member of the Board's Investment Strategy Committee; Chartered Financial Analyst (CFA), and Principal Senior Accountant, with over 20 years of experience in the shipping industry. During the reporting period, he also served as General Manager of the Company. He has served as Chief Financial Officer (CFO) of the Company, COSCO SHIPPING Holdings Co., Ltd., and Orient Overseas (International) Limited, among others. He has extensive experience in finance and capital management, shipping finance and capital operation, and brings strong expertise in sustainability management.
- 
**• Mr. Wang Kunhui** Executive Director, General Manager, Deputy Party Secretary, and Member of the Board's Investment Strategy Committee, with over 20 years of experience in global container shipping operations and overseas management, as well as extensive regional expertise across Asia-Pacific, Latin America, and Africa. He holds a strong track record in regional market expansion, global business deployment, port operations management, and corporate strategy and governance, and brings solid expertise in sustainability management.
- 
**• Mr. Hu Haibing** Chief Accountant, Leader of the Sustainability Working Group, and Senior Accountant. He previously served as Chief Accountant at COSCO Shipbuilding Industry Company, China Ocean Shipping Tally Company, and COSCO SHIPPING Bulk Co., Ltd., among others. With over 20 years of experience in financial and treasury management in the shipping industry, he brings solid expertise in sustainability management.
- 
**• Mr. Cai Lei** Secretary of the Board, Secretary of COSCO SHIPPING (Hong Kong), Leader of the Sustainability Working Group, and Fellow of The Hong Kong Chartered Governance Institute (HKCGI). He holds the national legal professional qualification, the insurance loss adjuster qualification, and the professional title of Senior Economist, and possesses extensive expertise in sustainability management.

Sustainability Performance-based Executive Remuneration

The Company has integrated sustainability-related goals and indicators into the executive remuneration assessment system. The Remuneration Committee of the Board assesses the remuneration of executives based on their specific functions and this system against the following indicators: R&D and application of low-carbon, intelligent manufacturing technologies, workplace safety, energy conservation, emission reduction, and environmental protection.



# Sustainability Philosophy and Commitment

We are committed to integrating the philosophy of sustainable development into our core strategy, corporate culture, and end-to-end business operations. We uphold fair competition and compliant operations, developing safer, greener, and more sustainable products and services to foster industry prosperity, ecological conservation, and social harmony.

Dimension	Our Goals	UN SDGs
 Economic	<ul style="list-style-type: none"> <li>To build a world-class shipping industry-finance operator with distinctive COSCO SHIPPING characteristics. We will build on our strengths in the shipping-related industry-finance integration to support the shipping and logistics sector, and increase the value of capital flows within the maritime logistics ecosystem.</li> </ul>	 
 Environmental	<ul style="list-style-type: none"> <li>To relieve the burden on the environment with maximum efforts. We will continue to identify the environmental impacts of the industry chain, and guide upstream and downstream partners to boost the harmonious coexistence between enterprises and nature by promoting sustainable procurement, production and products.</li> </ul>	    
 Social	<ul style="list-style-type: none"> <li>To contribute to higher levels of development and human well-being through unremitting efforts. We will address the fundamental needs of national, urban and social development, actively support the development of sustainable cities and communities, with a focus on education, healthcare, environmental protection, and infrastructure. Drawing on our resources and expertise, we will respond to social needs and help address practical challenges.</li> </ul>	      
 Industry	<ul style="list-style-type: none"> <li>To promote the sustainable and coordinated development of the shipping and finance industries. With an international vision and a forward-looking mindset, we will carefully study the development trend of the industry, make strategic decisions conducive to long-term development, and share our experience with business partners.</li> </ul>	  

# Sustainability Due Diligence

## Due Diligence Process



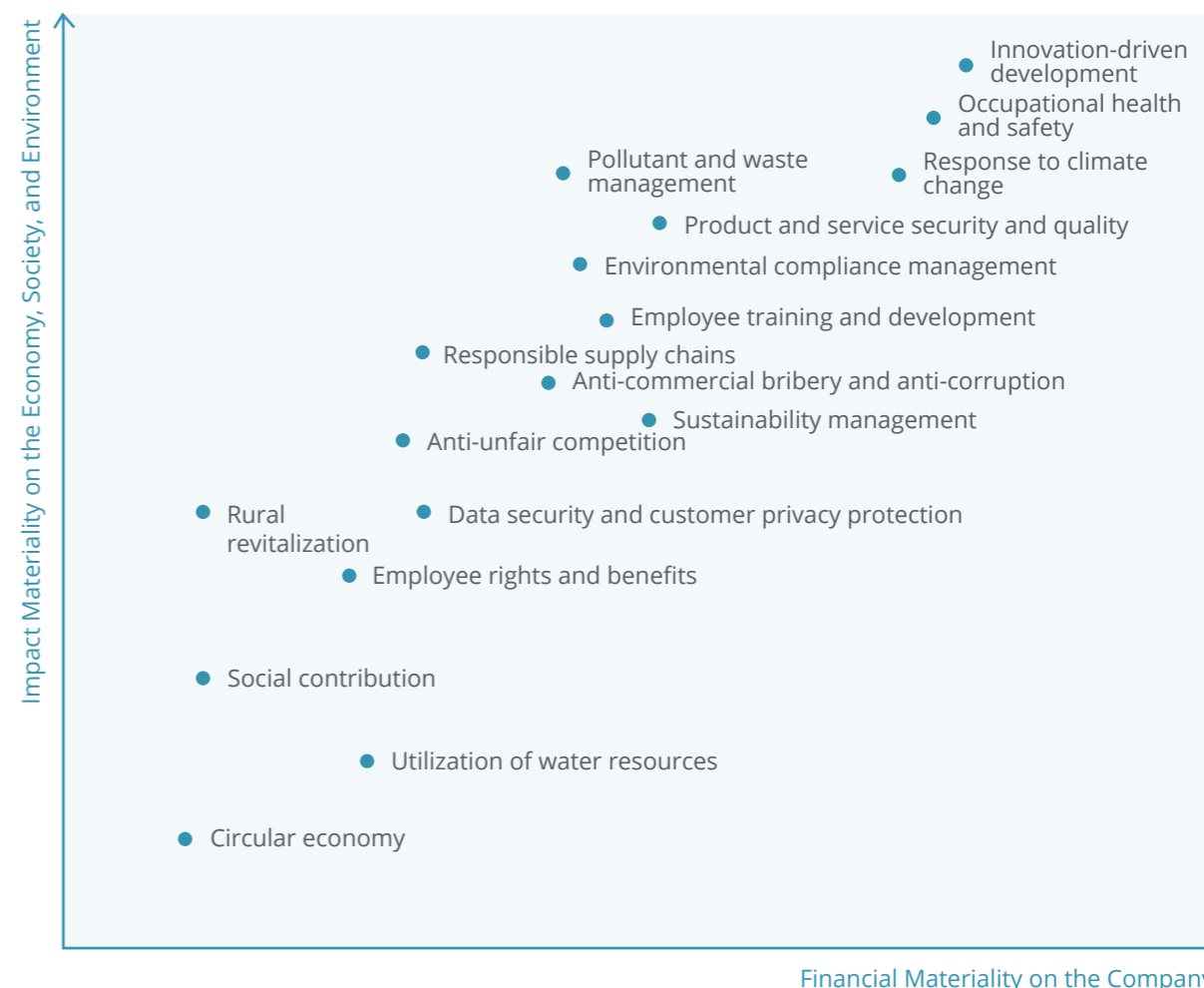
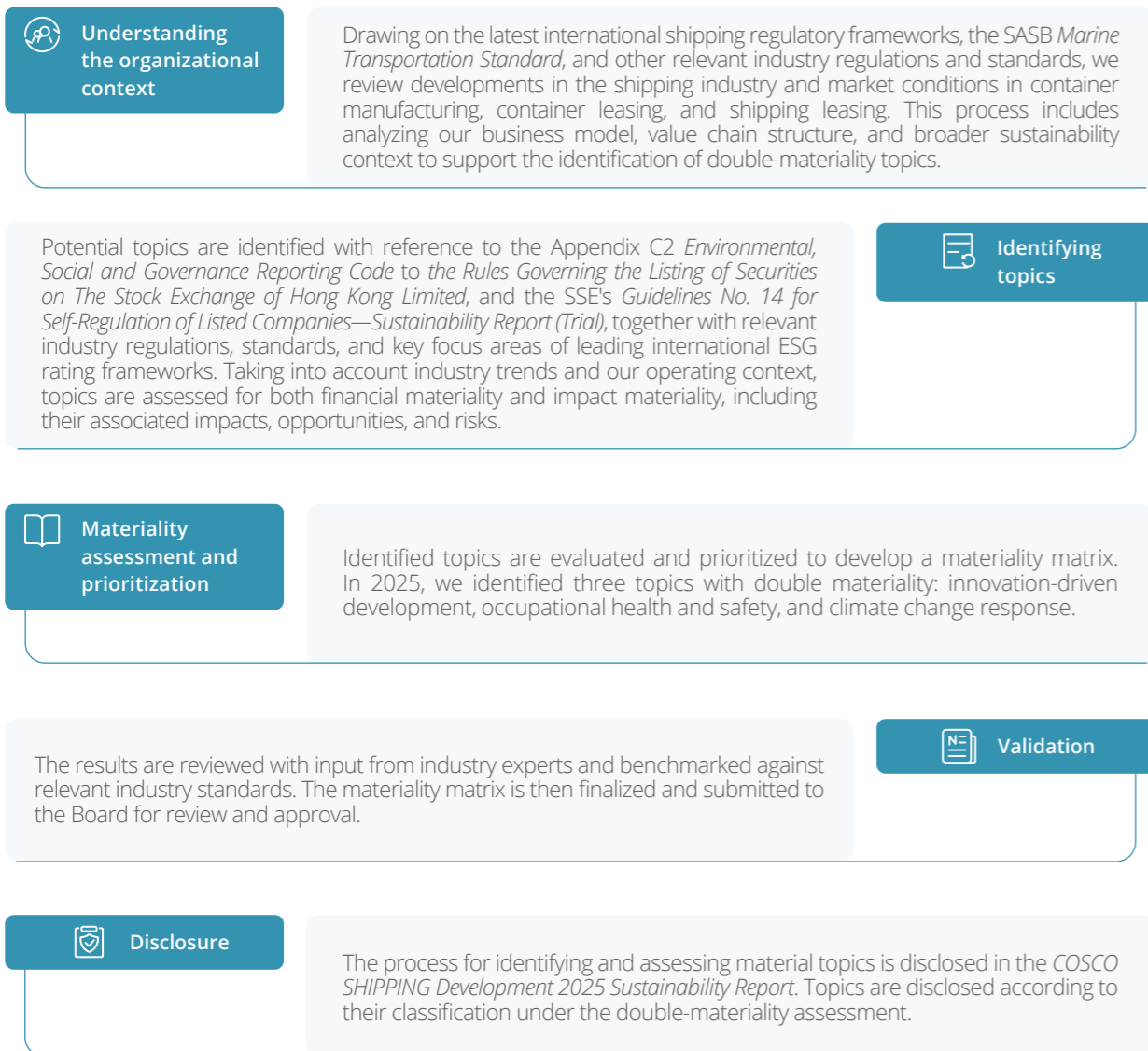
# Stakeholder Communication

Stakeholder	Key Expectations	Communication Channels/Frequency
Government and regulatory bodies	<ul style="list-style-type: none"> <li>Support for national and local economic and social development</li> <li>Compliant operation</li> <li>Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>Official correspondence (as needed)</li> <li>Information disclosure (as needed)</li> <li>Policy implementation (as needed)</li> <li>Assessments (regularly)</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Good business performance</li> <li>Stable returns for investors</li> <li>Sound corporate governance</li> <li>Compliant operation</li> <li>Risk control</li> <li>Realization of corporate development strategy</li> <li>True, complete, and timely information disclosure and communication</li> </ul>	<ul style="list-style-type: none"> <li>Company announcements (ongoing)</li> <li>Shareholders' General Meetings (as needed)</li> <li>Performance briefings (regularly)</li> <li>Roadshows (regularly)</li> <li>Investor communication (ongoing)</li> <li>Corporate marketing platforms (ongoing)</li> </ul>
Customers	<ul style="list-style-type: none"> <li>High-performance products</li> <li>Excellent services</li> <li>Information security</li> </ul>	<ul style="list-style-type: none"> <li>Customer requirement surveys (annually)</li> <li>Company website (ongoing)</li> <li>WeChat official account (ongoing)</li> <li>Industry trade shows (as needed)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Responsible sourcing</li> <li>Supplier management</li> </ul>	<ul style="list-style-type: none"> <li>Merit-based supplier selection (ongoing)</li> <li>Fair treatment of SMEs (ongoing)</li> <li>Responsible sourcing practices (as needed)</li> <li>Employee care and training for container factories (as needed)</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Exchanges and visits (as needed)</li> <li>Industry forums (as needed)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Sound protection of rights and interests</li> <li>Good prospects for career development</li> <li>Comfortable working environment</li> </ul>	<ul style="list-style-type: none"> <li>Culture building (as needed)</li> <li>Workers' Congress (annually)</li> <li>Employee training (as needed)</li> <li>Employee activities (as needed)</li> </ul>
Communities and the public	<ul style="list-style-type: none"> <li>Philanthropic engagement</li> <li>Support for community development</li> </ul>	<ul style="list-style-type: none"> <li>Volunteer services (as needed)</li> <li>Public welfare undertakings (as needed)</li> <li>Pairing assistance (as needed)</li> </ul>
Environmental agencies	<ul style="list-style-type: none"> <li>Environmental management system enhancement</li> <li>Support for green industry development</li> </ul>	<ul style="list-style-type: none"> <li>Environmental policies (ongoing)</li> <li>Green investment (as needed)</li> </ul>
Media	<ul style="list-style-type: none"> <li>Responsible operation</li> <li>High-quality service</li> <li>Transparent communication</li> </ul>	<ul style="list-style-type: none"> <li>Press conferences (as needed)</li> <li>Media interviews (as needed)</li> <li>Interactions on new media platforms (as needed)</li> </ul>

# Double-Materiality Analysis

In accordance with the SSE's *Guidelines No. 14 for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and other relevant requirements, COSCO SHIPPING Development has established a process to define topics of financial materiality and impact materiality. In 2025, taking full account of both internal and external inputs, we reassessed and reprioritized 17 topics across governance, economic, environmental, and social dimensions based on their financial materiality and impact materiality. One additional double-materiality topic was identified, bringing the total to three. To better address stakeholder concerns, we provided enhanced disclosure for all double-materiality topics. The analysis process and results were reviewed and approved by the Board.

## Double-Materiality Analysis Process



- The "pollutant discharge" and "waste management" topics are consolidated into a single topic: "pollutant and waste management."
- The "energy use" topic is incorporated into the "climate change response" topic.
- The "ecosystem and biodiversity conservation" topic is not applicable to the Company, as our production and operating sites are located away from ecological function zones and nature reserves.
- The topic of "technology ethics" is not applicable to the Company, as we do not engage in business activities in ethics-sensitive technology areas.
- The "supply chain security" and "fair treatment of SMEs" topics are consolidated into "responsible supply chains."
- The "employees" topic is split into three topics: "occupational health and safety," "employee rights and benefits," and "employee training and development."
- To distinguish ESG management approaches from management topics, this materiality matrix does not include "due diligence" or "stakeholder communication." Related disclosures are presented in the chapter "Delivering Responsible Value Through Commitment." In addition, the topic "sustainability management" has been added.



# Driving Innovation

to Strengthen Core Competitiveness

COSCO SHIPPING Development enhances product and service quality through technological innovation and industry collaboration. We maintain strong information security and customer privacy standards and foster new quality productive forces. We are committed to building a world-class shipping and industry-finance operator with distinctive COSCO SHIPPING characteristics, advancing sustainable and high-quality development through innovation.

- 8** DECENT WORK AND ECONOMIC GROWTH 
- 9** INDUSTRY, INNOVATION AND INFRASTRUCTURE 
- 12** RESPONSIBLE CONSUMPTION AND PRODUCTION 
- 17** PARTNERSHIPS FOR THE GOALS 

## Optimizing Asset Allocation and Strengthening Industry-Finance Synergy

Focusing on our core shipping industry-finance businesses, we continue to refine our portfolio and resource allocation, strengthen our capabilities to identify and create value, and promote coordinated development of capital and industrial operations.

### Key Industry-Finance Integration Projects in 2025

#### Industry-finance integration project for 23 bulk carriers

We commissioned COSCO Shipping Heavy Industry Co., Ltd. (CHI) to build 23 bulk carriers of 87,000 DWT, enhancing the scale and quality of our ship portfolio and reinforcing the foundation of our ship leasing business.

#### Industry-finance integration project for 10 bulk carriers

We commissioned China State Shipbuilding Corporation Limited (CSSC) and CHI to construct 10 Newcastlemax bulk carriers (210,000 DWT) with methanol- and ammonia-ready design, further expanding industry-finance collaboration.

#### Industry-finance integration project for 4 asphalt tankers and 1 LNG vessel

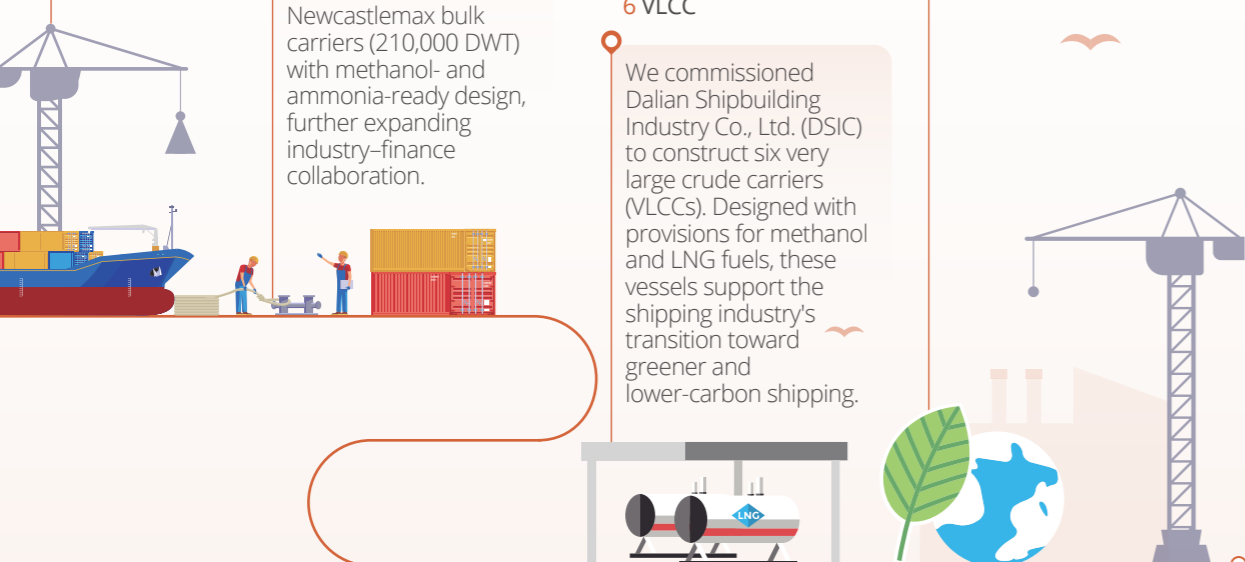
We invested in four asphalt tankers and completed a post-sale leaseback for one LNG vessel. The asphalt tankers will be leased on a long-term basis to industrial partners, marking our initial entry into the specialized liquid cargo segment. The LNG project further diversified our specialized ship portfolio and contributes stable long-term returns.

#### Industry-finance integration project for 6 VLCC

We commissioned Dalian Shipbuilding Industry Co., Ltd. (DSIC) to construct six very large crude carriers (VLCCs). Designed with provisions for methanol and LNG fuels, these vessels support the shipping industry's transition toward greener and lower-carbon shipping.

#### 62,000-DWT multipurpose heavy-lift vessel

We successfully named and delivered the 62,000-DWT multipurpose heavy-lift vessel De An. The vessel meets the highest international energy efficiency and emissions standards and marks a milestone in advancing high-quality industry-finance integration.



## Focusing on Core Technologies to Drive Industry Upgrading

As the global shipping market grows more complex, COSCO SHIPPING Development is prioritizing digitalization and green, low-carbon development. Through technological innovation, we cultivate new quality productive forces and continue to enhance our ability to create value.

### I Governance

COSCO SHIPPING Development has established a governance framework for technological innovation, with the Board serving as the highest oversight body. A Technology and Digital Transformation Committee has been set up, supported by a dedicated Technological Innovation and Digital Transformation Department at headquarters. Together, they operate within a coordinated, tiered structure to advance technological innovation, digital transformation, and green, low-carbon development, while identifying and managing related sustainability impacts, risks, and opportunities.

Across our subsidiaries, Shanghai Universal's Technology Innovation Department and Digital Transformation Department lead innovation and digital management efforts; Florens' Information Technology Department advances innovation and digital transformation across multiple levels; and the SL Division manages research projects in accordance with the *Regulations on Research Project Management*.

The number of invention patent filings and grants is incorporated into performance evaluation systems. Through end-to-end project supervision, milestone reviews, and annual assessments, we maintain a closed-loop management approach to ensure the orderly execution of innovation initiatives. Relevant impacts, risks, and opportunities are systematically incorporated into strategic decisions, major project approvals, and risk management processes.

### I Strategy

To align with evolving business needs and market trends, we revised the *14th Five-Year Plan for Technological Development and Digital Transformation of the Industry-Finance Platform (Mid-term Revision)* in 2024, providing strategic guidance for technological innovation. In 2025, as the 14th Five-Year Plan period was brought to a successful conclusion, we assessed short-, medium-, and long-term impacts, risks, and opportunities related to digital transformation, product R&D, and intelligent manufacturing. Phased response strategies and governance mechanisms were then developed to strengthen risk management, foster new quality productive forces, and enhance value creation, thereby laying a solid foundation for the next development cycle under the 15th Five-Year Plan.



**Innovation-Driven Risks and Opportunities**


Category	Description	Financial Impact	Business Model and Value Chain Impact	Period	Response
 Risk	Rapid technological iteration, long development cycles, and market uncertainty may lead to cost overruns and lower-than-expected returns on innovation projects Risk.	Customer and market demand drive investment in technological innovation and increase R&D spending.	Our operations	Short term Medium term	<ul style="list-style-type: none"> <li>Raising funds through public markets, including technology innovation loans and technology innovation bonds;</li> <li>Securing grants and special funding support from the government or the Group;</li> <li>Advancing relending for equipment upgrades and renovation in line with the "Two New" policy.</li> </ul>
 Opportunity	Digital transformation enables us to streamline processes, unlock data value, and enhance responsiveness to market changes, thus improving efficiency and competitiveness.	We are developing online business systems and advancing digital operations, which support greater efficiency, stronger collaboration, business expansion, and revenue growth.	Our operations	Short term Medium term Long term	<ul style="list-style-type: none"> <li>Implementing the <i>14th Five-Year Plan for Technological Development and Digital Transformation of the Industry-Finance Platform (Mid-term Revision)</i>;</li> <li>Developing and applying digital management platforms across container manufacturing and leasing, yard operations, and warehouse management.</li> </ul>
 Opportunity	Intelligent manufacturing improves production efficiency and product quality while reducing workplace safety risks.	Through smart factory development and automated, intelligent production upgrades, we improve production efficiency and quality while reducing workplace safety risks and operating costs.	Our operations	Short term Medium term Long term	<ul style="list-style-type: none"> <li>Promoting phased smart factory development;</li> <li>Implementing the Sub-Plan for Artificial Intelligence;</li> <li>Recruiting and developing multidisciplinary innovation talent and strengthening strategic and application-oriented talent pipelines.</li> </ul>
 Opportunity	Digital tools combined with AI enable demand-driven design and rapid iteration of container products and shorten innovation cycles.	We expand our specialized container offering, so as to broaden our market reach and customer base while supporting revenue growth.	Our operations	Short term Medium term	<ul style="list-style-type: none"> <li>Strengthening high-quality industry-academia-research collaboration;</li> <li>Promoting supply chain collaboration in emerging sectors, including specialized equipment, cold chain logistics, energy storage, and new materials, to enhance capabilities for customized container solutions.</li> </ul>

Based on the assessment of these risks and opportunities, we regularly evaluate the resilience and adaptability of our business model, strategy, and innovation initiatives, and assess the overall robustness of our strategic direction. This helps ensure that technological opportunities are captured while related risks remain under control.



**Digital Transformation**

With a focus on digital intelligence, COSCO SHIPPING Development is advancing digitalization across all business segments. Through structured platform upgrades and expanded smart functionalities, we enhance industry-finance coordination and foster new quality productive forces.

**Core Digital Initiatives in 2025**

-  **Industry-finance platform upgrade** | The operations management portal was upgraded to cover nine key areas, including production and operations, strategy, finance and treasury, legal and risk control, and safety and environmental management. AI-enabled office tools were introduced to enhance operational and collaborative efficiency.
-  **Shanghai Universal's Yard Management System 1.0** | The launch of the system digitalized yard operations, enabling centralized management of off-site container inventory and storage fees and providing timely, accurate data for storage cost control.
-  **Advancing in-house development of core leasing systems** | Core business processes have been fully migrated to iFlorens, and we have continued to deepen digital integration across internal and external systems and expand data connectivity. Building on the Group's technology platform, we are developing an AI application suite to further enhance operational efficiency.
-  **Launching digital platforms to improve operational efficiency** | The SL Division launched integrated budgeting systems to strengthen finance-business integration. System connectivity with key clients improved supply chain coordination. Phase I of the Ship Digital Supervision Platform went live, covering ship inspections, safety management, energy efficiency, and intelligent monitoring, to enhance the efficiency of digital supervision for maritime safety.

**Honors and Awards**

- In 2025**
-  The iFlorens digital operation platform's dual-active disaster recovery system was selected as a "2025 Leading Cloud Disaster Recovery Case" among central SOEs by the China Academy of Information and Communications Technology (CAICT).
  -  Florens' "Research on Dynamic Container Allocation Scheme Based on Large Language Models and Intelligent Optimization Algorithms" was awarded Second Prize in the "AI Technology and Applications" track by the China Information Industry Association (CIIA).

## Product Development

Shanghai Universal continues to strengthen capabilities in product development and intelligent manufacturing. In 2025, we expanded our presence in specialized containers, including energy storage units, modular housing containers, foldable containers, and reefer containers. Ongoing improvements in customized solutions and core technologies supported product innovation and broader applications.

### Specialized Container Portfolio



Modular housing container



20-foot insulated food container



45-foot railway reefer container










### Honors and Awards

DFIC Qidong was awarded "2025 Outstanding Supporting Products Supplier in China's Energy Storage Industry."

## Intelligent Manufacturing

Shanghai Universal has launched a staged smart factory development program. DFIC Ningbo is leading the initiative by integrating AI and digital twin technologies to build a production system that connects R&D, manufacturing, and management, providing end-to-end visibility and supporting continuous improvement.

### Intelligent Applications in Container Factories

Facility	Function
 AGV robots	<ul style="list-style-type: none"> <li>Automated material pickup and transport, suitable for medium-distance transfer between production processes</li> </ul>
 Bin-handling AGVs	<ul style="list-style-type: none"> <li>Automated sorting and in-warehouse transport of components</li> </ul>
 Robotic vertical welders for front frame assembly	<ul style="list-style-type: none"> <li>Welding of front panel and corner post joints</li> </ul>
 Steel coil handling robots	<ul style="list-style-type: none"> <li>Efficient transport of steel coils from the coil warehouse to the pretreatment line, improving the safety of coil handling</li> </ul>
 Robotic bending systems	<ul style="list-style-type: none"> <li>Precision bending and forming of front corner posts</li> </ul>
 Gantry-type vacuum handling robots	<ul style="list-style-type: none"> <li>Plate pick-and-place, loading, conveying, unloading, stacking, and transfer to storage</li> </ul>
 Smart container cloud system	<ul style="list-style-type: none"> <li>Integrated data management across container production, line-off, inspection, storage, and transfer, providing end-to-end visibility and supporting informed decision-making by the management</li> </ul>



### AI Integration and Operational Intelligence

- Deepening AI-enabled intelligent manufacturing** | Launched an AI-driven contract pre-review function, with ongoing efforts to advance the development and application of core algorithms such as APS flexible scheduling and optimal dispatching for steel coil warehouses.
- Carrying out industry-academia-research collaboration** | Worked with universities and research institutes on robotics R&D projects, including simulation modeling and optimization of dry container production lines.

#### Honors and Awards

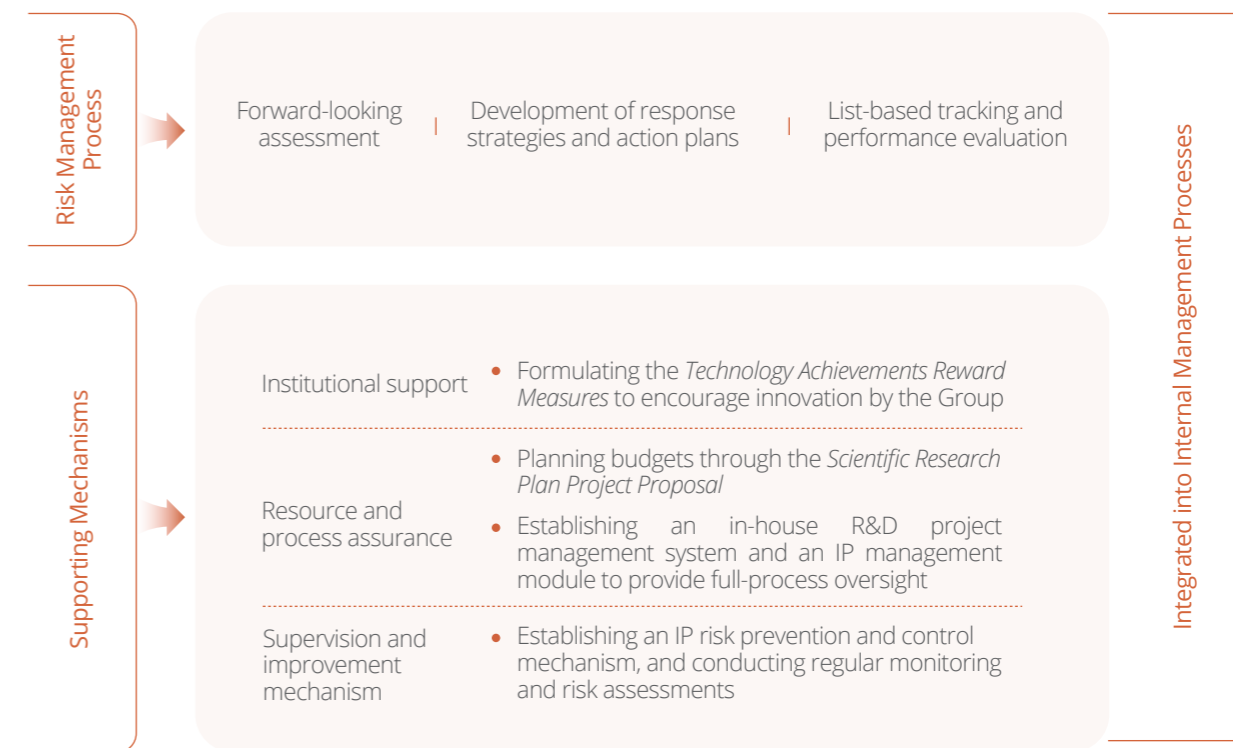
**In 2025**

- DFIC Ningbo was recognized as a "National Excellent Intelligent Factory." Its project "Application of a Digital and Intelligent Container Manufacturing System" received First Prize at the 7th National Conference on Exchange of Equipment Management and Technological Innovation Achievements.
- DFIC Qingdao, DFIC Jinzhou, and DFIC Qidong obtained Level 3 certification under the China Manufacturing Maturity Model (CMMM).
- DFIC Ningbo was included in the *2025 5G Factory List* by the Ministry of Industry and Information Technology.
- DFIC Jinzhou was recognized as an Outstanding Contribution Enterprise under Liaoning Province's Three-Year Revitalization Initiative.
- DFIC Lianyungang and DFIC Qidong were recognized as "2025 Advanced Smart Factories in Jiangsu Province."
- At the China Equipment Maintenance and Renovation Innovation Achievements Competition, DFIC Lianyungang received Grand Prize for intelligent upgrading and innovation in container manufacturing, and DFIC Qidong was awarded First Prize for all-scenario intelligent integration equipment for energy storage container packs.

## I Management of Impacts, Risks, and Opportunities

We have established a closed-loop framework spanning strategy development, execution, and review to handle the impacts, risks, and opportunities associated with technological innovation and IP management. At the planning stage, we conduct forward-looking assessments, evaluating and prioritizing projects by technical feasibility, financial impact, operational safety, environmental performance, and market acceptance, so as to inform subsequent action plans and risk management decisions.

### Impact, Risk and Opportunity Management Process



## I Indicators and Targets

### Standards Led or Participated in by the Company

Area	Number of Standards	Type of Standards
Electric ships	12	International proposals, national standards, industry standards, and association standards
Containers	4	National standards, industry standards

In 2025, we continued to advance standardization in electric ships and container manufacturing. An international proposal related to electric ships was presented at the ISO/TC8 plenary meeting. A national guidance document on *The Communications Protocol for Battery Charging and Swapping Systems*, led by the Company, has been approved for project initiation. We also progressed revisions to three industry standards covering mobile power systems, coding rules, and communication protocol consistency. To expand our role in industry standard-setting, we closely tracked developments among key institutions and participated in major review and consultation meetings, including the China Classification Society (CCS)'s review of the *Technical Specification for Battery-Powered Ships (2025)* and the Ministry of Transport's expert consultation on the *Guidelines for Electric Vessel Charging and Swapping Operations*.

Shanghai Universal participated in the formulation of two national standards, *Plywood for Container Flooring* and *Evaluation Methods for Enterprise Intelligent Manufacturing Performance*, as well as two industry standards, *High-Strength Stainless Steel Plates and Strips for Containers* and *General Specification for Carbon Neutrality Evaluation*.

Technology Innovation Targets and 2025 Progress

Business	Target	2025 Progress
Container manufacturing	30 new invention patent filings and grants	Achieved
Container leasing	4 new invention patent filings and grants	Achieved
Shipping leasing	2 new invention patent filings	Achieved

Key Performance Highlights

Indicator	Unit	2025
<b>R&amp;D personnel and investment</b>		
R&D personnel	person	612
Proportion of R&D personnel	%	3.69
R&D investment	RMB	320 million
R&D investment as a percentage of revenue from the main businesses	%	1.27
<b>Patents and software copyrights</b>		
Number of invention patents used for the main businesses	/	77
Number of invention patent filings	/	37
Number of invention patent grants	/	15
Number of valid patents	/	817
Number of software copyrights	/	2

Qualifications

SULT was recognized as a National High-Tech Enterprise by the Science and Technology Commission of Shanghai Municipality in 2023 (valid through 2026). In 2024, it was designated a "Specialized and Sophisticated SME" by the Shanghai Municipal Commission of Economy and Informatization (valid for three years). In 2025, it was recognized as a Hongkou District Enterprise Technology Center (2024) by the Hongkou District Science, Technology, and Economic Commission.



# Delivering Quality and Customer Value

COSCO SHIPPING Development always puts customers first. By delivering secure and reliable products alongside meticulous services, we solidify our growth foundation while continuously refining our quality management system to consistently enhance brand value through exceptional quality.

## I Enhancing Quality Management

In the container manufacturing segment, Shanghai Universal maintains a dedicated quality management function responsible for product oversight. In 2025, it revised the *Regulations on the Information Collection and Investigation of Product Quality Incidents* and introduced four new policies: the *Product Quality Monitoring and Measurement Equipment Management Measures*, the *Standard Container Prototype Testing Management Measures*, the *In-Process Product Inspection Management Measures*, and the *Product Quality Information Feedback Management Measures*.

In the container leasing business, Florens' Technical Operations Department, overseen by the General Manager, is responsible for technical management. The Technical Manager leads the development of new container specifications, factory inspections, and yard repair quality control, ensuring compliance with the Company's policies and operating manuals.

In the shipping leasing segment, the SL Division introduced the *Regulations on the Execution, Amendment and Renewal of Operating Lease Agreements* in 2025. Through standardized processes and clearly defined responsibilities, the framework enhances service quality, efficiency, and transparency across the lease lifecycle, including execution, amendment, and renewal.

### Shanghai Universal's Product Quality Management Measures

- Raw material quality control** Suppliers are evaluated through a quality rating system, with on-site assessments conducted for key material suppliers to review production capacity and quality standards, ensuring material reliability from the source.
- Production process control** A "Quality Gate" system is applied at critical production stages, supported by a closed-loop mechanism for managing and resolving quality issues.
- Container traceability** Product identification and inspection status labeling standards are implemented to ensure traceability throughout the container production process.
- Quality culture** A series of "Quality Month" initiatives was organized to promote a culture of craftsmanship and high standards, reinforcing the principle that quality underpins credibility and trust.

Key Performance Highlights

In 2025

- Shanghai Universal achieved a first-pass yield of **98.93%** and a first-time acceptance rate of **99.89%**

Shanghai Universal's Quality Management System Certifications

Certification	Issued To	Scope	Issued By	Expiry Date
ISO 9001 Quality management systems	Shanghai Universal headquarters	Container design and after-sales service	CCSC	December 9, 2028
ISO 9001 Quality management systems	DFIC Guangzhou, DFIC Ningbo, DFIC Qidong, DFIC Lianyungang, DFIC Qingdao, and DFIC Jinzhou	Container design, manufacturing, and after-sales service	CCSC	DFIC Guangzhou: December 9, 2028 DFIC Jinzhou: December 9, 2028 DFIC Lianyungang: December 9, 2028 DFIC Ningbo: September 16, 2026 DFIC Qidong: September 21, 2026 DFIC Qingdao: September 9, 2026

Honors and Awards

In 2025

- Shanghai Universal's laboratory passed the assessment of the China National Accreditation Service for Conformity Assessment (CNAS) and obtained CNAS laboratory accreditation.
- DFIC Jinzhou under Shanghai Universal became a member of the Liaoning Provincial Brand Promotion Association. DFIC Lianyungang obtained factory approval from the CCS and Bureau Veritas (BV) for its container door locking device.
- Florens, as a member of the Container Owners Association (COA), provides container inspection, repair, and leasing services in accordance with The Institute of International Container Lessors (IICL) standards, and has been approved under CCS's Approved Continuous Examination Program (ACEP). All newly manufactured containers are certified by CCS.
- DFIC Qidong was named CATL's Outstanding Quality Supplier for Q3 2025 and received the "Agile Supplier 2025" award.

I Optimizing Customer Services

The container manufacturing segment strengthened customer collaboration through open platforms such as the "Quality Café" and "Voice of Customers." Frontline feedback is translated directly into improvements in production processes and quality management, continuously enhancing product quality.

The container leasing segment leveraged the iFlorens collaboration platform to further integrate digital services across internal and external customers. Operational and asset management processes were streamlined to improve lifecycle service efficiency. The online trading platform enhanced its service capabilities by launching in-transit pre-sales and bulk order products, while expanding its new container sales network in South America.

The shipping leasing segment reinforced ship safety oversight through onboard inspections and shipowner follow-up visits, thus supporting stable operations and enhancing service responsiveness and brand reputation. During the reporting period, we reported no major safety or quality incidents involving our products or services.

Key Performance Highlights

Indicator	Unit	Scope	2025
Number of clients	/	Shanghai Universal, Florens, and the SL Division	1,296
Clients using online services as a percentage of the total	%		21.30
Online revenue	RMB		140 million
Online revenue as a percentage of total revenue	%		0.56

I Safeguarding Customer Interests

We have established a structured customer complaint management system. Shanghai Universal manages complaints and feedback under its *Customer Complaint Management Procedures* and the *Product Quality Information Feedback Management Regulations* introduced in 2025, ensuring standardized, process-based, closed-loop handling. Florens follows its *Customer Inquiry Handling* procedures to guide the response and resolution of customer inquiries and complaints. In 2025, no customer complaints or product recalls were reported.

In 2025, Shanghai Universal, Florens, and the SL Division each conducted customer satisfaction surveys. Shanghai Universal invited customers to complete a *Customer Satisfaction Evaluation Form* in accordance with the *Product Quality Information Feedback Management Regulations*, assessing both product and service quality. Florens conducted online surveys to assess customer satisfaction with service capability, operational efficiency, product quality, and repairs, as well as commercial and digital services. The SL Division surveyed customers on project solution design, market competitiveness, operational efficiency, and professional service capability. The survey results showed an overall customer satisfaction rate of 95.37%.



# Upholding Information Security and Privacy

## I Cybersecurity Management

COSCO SHIPPING Development has established a well-defined cybersecurity governance structure with clear lines of accountability. The Board bears the ultimate responsibility. The Technology and Digital Transformation Committee and its executive office oversee implementation, including day-to-day management of network and information systems, employee awareness and training, as well as the planning, testing, and emergent handling of cybersecurity incidents. Heads of departments are responsible for cybersecurity and digital management efforts within their respective areas, overseeing major cybersecurity decisions and related coordination.

We operate under the Group's unified cybersecurity framework and fully implement the internal policies, including the *Cybersecurity Management Regulations*, the *Detailed Rules for Cybersecurity Performance Evaluation Management*, the *Detailed Rules for Emergency Response Management of Network and Information Security Incidents*, and the *Detailed Rules for Cybersecurity Information Reporting Management*. These policies apply across the headquarters and all subsidiaries. All employees are required to fulfill their information security responsibilities, and key suppliers involved in digital projects must comply with the same cybersecurity framework.

To strengthen information security management, we have put in place a structured information security program. Each subsidiary is required to establish an annual cybersecurity work plan, and implementation is tracked through quarterly and annual reporting.

- **Business continuity management:** Each subsidiary is required to conduct business impact analyses (BIA) for the networks and information systems under its management, define recovery point objectives (RPO) and recovery time objectives (RTO), and develop contingency plans accordingly. These plans cover areas such as infrastructure redundancy, data backup, and disaster recovery, and are tested through at least one drill each year.
- **Information security vulnerability\* analysis and risk management:** All subsidiaries shall carry out regular vulnerability scanning and strengthen detection capabilities through penetration testing, crowdsourced security testing, and cyber attack-and-defense exercises. We track information security vulnerabilities in monthly reports, maintain a centralized log of identified vulnerabilities, and set strict remediation timelines to ensure timely resolution. In 2025, we remediated all 286 identified vulnerabilities, eliminating potential security risks. No information security compliance breaches or data breach incidents occurred during the reporting period.
- **Internal audit and oversight:** In accordance with the *Information Security Management System Document*, the information management function participates in internal audits of information security. The audits focus on the effectiveness of security technical safeguards, the consistency of security configurations and policies, and compliance with internal management requirements.

Note: Information security vulnerabilities refer to unauthorized access to computer data, applications, networks, devices, or protected systems. Cybercriminals or malicious software may exploit such vulnerabilities to bypass security controls and gain access to restricted areas.



- **Independent external audit and validation:** We implement the Multi-Level Protection Scheme (MLPS) and complete the required filings and security assessments for core information systems. External audits are carried out by nationally accredited assessment institutions. Ahead of major events, we also conduct crowdsourced security testing and penetration testing, inviting external experts to simulate cyberattacks and continuously test and strengthen our system defenses.
- **Incident reporting and escalation:** Operating units are required to report security incidents, vulnerabilities, and attack alerts immediately. These issues are tracked through monthly and quarterly security reports. We have also issued policies such as the *Management Rules for Emergency Response to Network and Information Security Incidents*, which establish a standard process covering incident detection, reporting, assessment, response, and post-incident review. This framework ensures that employees can act as the first line of detection and escalate suspicious activities in a timely manner.
- **Information security training:** We maintain a structured information security training program. All employees complete at least four hours of training each year, while technical personnel complete a minimum of eight hours. The program covers both professional skills and general security awareness. In 2025, we rolled out company-wide awareness sessions using materials such as *Cybersecurity Essentials for Employees*. Ahead of major events, we also conducted targeted exercises, including phishing email simulations and training on AI-powered face-swap scams. Employees who click on phishing emails may receive compliance deductions. These measures help strengthen cybersecurity awareness and defensive capabilities across the workforce.

## I Protecting Customer Privacy

To strengthen trade secret protection and information security management, we issued the *Trade Secret Protection Procedures of COSCO SHIPPING Development Co., Ltd.*, which define the scope and management requirements for various categories of trade secrets, including customer privacy, to safeguard the security of business information.

In the container leasing business, Florens has implemented the *Trade Secret Protection Procedures of COSCO SHIPPING Development Co., Ltd.* and developed the *Information Asset Protection* policy. Customer information is classified as trade secrets, with technical and administrative controls in place to protect information assets, including customer data. Florens publishes its privacy policy on its official website and trading platforms, committing not to share or sell any customer information obtained online. Data collection and access are limited to what is necessary, with appropriate security measures in place. Customer information is not disclosed to third parties without consent unless required by law. The privacy policy explains the nature and purpose of data collection and notes that information may be shared with affiliated companies or service providers, or transferred internationally, where required for business cooperation or legal compliance. Customers may request removal from designated notification lists and opt out of marketing communications at any time.

In the shipping leasing business, the SL Division has issued the *Management Measures for Financial Leasing Projects*, which establish confidentiality agreements as the primary safeguard for project-related information. Where project development involves confidential matters, confidentiality agreements must be executed. These agreements define the confidentiality obligations of all parties in respect of project-related commercial information and do not involve the processing or protection of personal data.

In the container manufacturing business, Shanghai Universal has implemented the *Trade Secret Protection Procedures of COSCO SHIPPING Development Co., Ltd.*, classifying customer information as a trade secret and protecting it accordingly, while reinforcing safeguards over core operational data.

During the reporting period, no incidents of customer data leakage occurred.



# 4

## Advancing Low-Carbon Transition

to Unlock Green Industry Synergies

COSCO SHIPPING Development is committed to a green and smart approach to shipping, taking a low-carbon transition as a crucial strategy to sharpen our competitive edge. This commitment manifests across four pillars: green production, green operations, green assets, and green financing. By working closely with supply chain partners, we are taking concrete steps to support global climate goals.

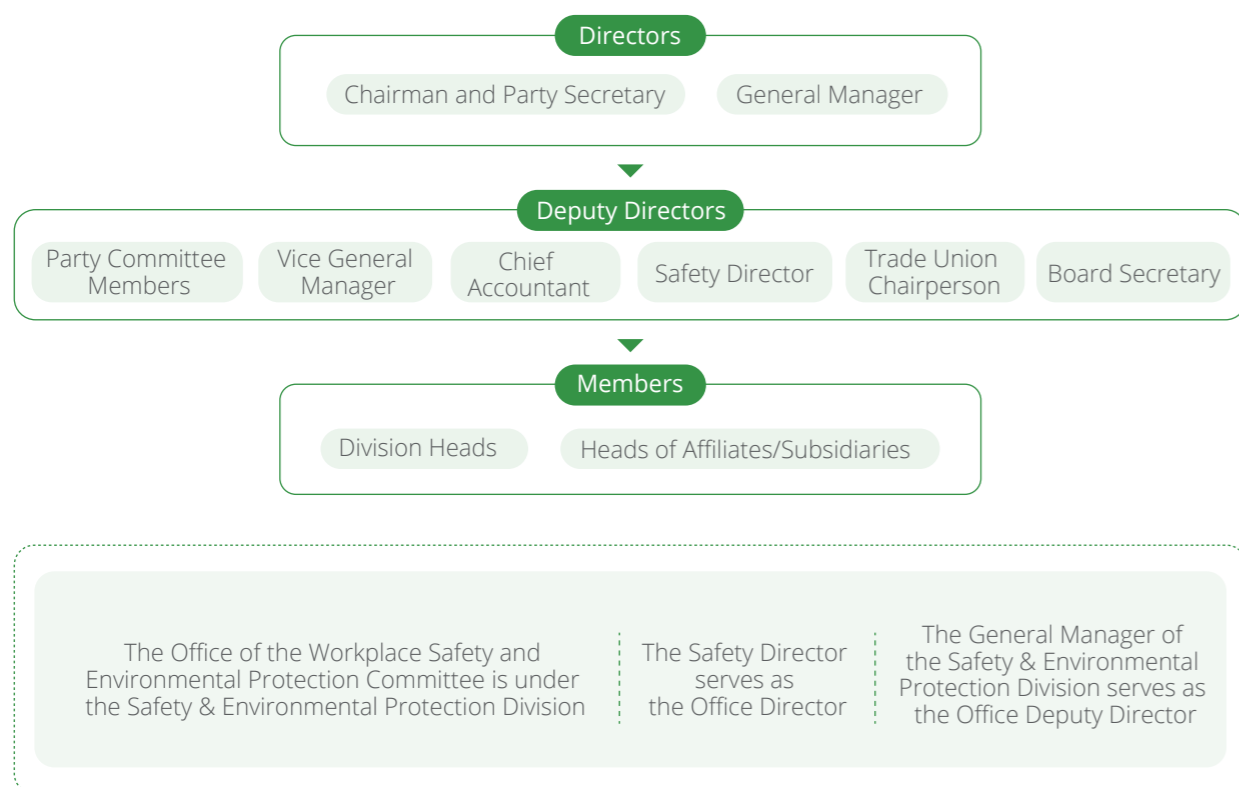
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

# Strengthening Environmental Management

COSCO SHIPPING Development maintains strict compliance with applicable laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Energy Conservation Law of the People's Republic of China*. Guided by the national environmental policies and the broader vision of ecological civilization, we have developed—and continue to refine—a set of internal environmental policies based on our operational realities. In 2025, we had no environmental incidents.

## I Organizational Structure

We have established a Workplace Safety and Environmental Protection Committee, led jointly by the Chairman, the Party Secretary, and the General Manager. The Committee formulates strategic goals and implementation plans for environmental management, and also builds an environmental performance monitoring and auditing system. Shanghai Universal, a container manufacturing arm of the Company, operates under our environmental oversight. In turn, it is responsible for ensuring that all container factories under its management comply fully with applicable environmental regulations and standards.



Workplace Safety and Environmental Protection Committee of COSCO SHIPPING Development

## I Management Mechanism

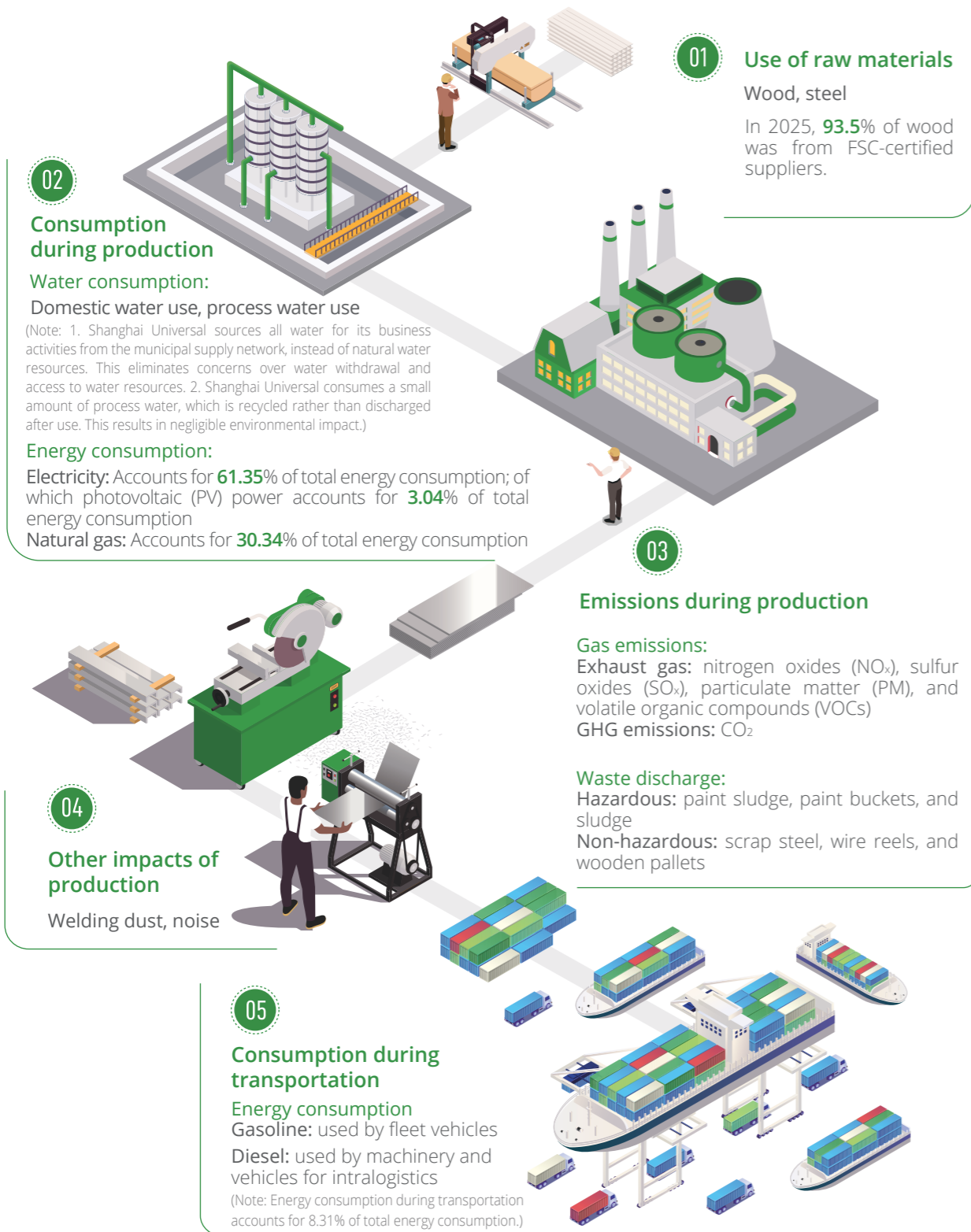
We have issued the *COSCO SHIPPING Development Regulations on Energy Saving and Emission Reduction Management*, the *COSCO SHIPPING Development Guidelines for Standardized Environmental Protection Management*, the *COSCO SHIPPING Development Regulations on Workplace Safety and Environmental Protection Performance Evaluation* and the *COSCO SHIPPING Development Regulations on Accountability for Workplace Safety and Environmental Protection*. Each year, all departments and subsidiaries sign the *Workplace Safety and Environmental Protection Responsibility Statement*, clarifying responsibilities, objectives, and evaluation requirements.

In addition, we have established an emergency response system, comprising an Emergency Response Steering Group and an Emergency Response Office. We have also developed the *COSCO SHIPPING Development Emergency Response Plan for Workplace Safety and Environmental Protection* to strengthen emergency preparedness and coordination.

## I Environmental Impact Identification

Shanghai Universal is responsible for container research and development, manufacturing, and sales. Among its business activities, container manufacturing has material environmental impacts. As the world's second-largest container manufacturer, Shanghai Universal identifies key environmental impacts arising from the manufacturing process and improves environmental performance through ongoing management and control. In 2025, Shanghai Universal had no environmental incidents.





Note: Container manufacturing and transportation do not involve the use of packaging materials.

In 2025, Shanghai Universal and its affiliated container factories strictly implemented all environmental regulations, driving continuous improvement in environmental performance.

### Shanghai Universal's Key Environmental Regulations

Major Environmental Impact	Main Regulations and Documents
The use of wood, steel, and other raw materials	Shanghai Universal Procurement Management Measures Shanghai Universal Regulations on Centralized Procurement Management
Domestic wastewater discharge	Piping Plan Regulations on Wastewater Discharge Management Wastewater Treatment Station Operational Log
Water consumption	Regulations on Energy Conservation and Emissions Reduction Management
Energy consumption	Regulations on Energy Conservation and Emissions Reduction Management
Exhaust gas (including VOCs) and GHG emissions	Regulations on Exhaust Emission Management Exhaust Gas Monitoring Guidelines Exhaust Emission Environmental Testing Report
Hazardous waste discharge	Regulations on Solid Waste Pollution Prevention and Control Hazardous Waste Management Guidelines Hazardous Waste Disposal Agreement Hazardous Waste Disposal Record Hazardous Waste Manifest Guidelines for Temporary Storage and Management of Hazardous Waste
Non-hazardous waste discharge	Regulations on Solid Waste Pollution Prevention and Control Garbage Sorting Management Measures Kitchen Waste Management Measures Kitchen Waste Disposal Agreement Solid Waste Disposal Record
Welding dust	Regulations on Solid Waste Pollution Prevention and Control Regulations on Construction Site Environmental Management
Noise	Regulations on Noise Management

## I Environmental Management System Certification

### Environment-related Management System Certification

Certification	Issued To	Scope	Issued By	Expiry Date
ISO 14001 Environmental management system certification	Shanghai Universal	Container design and after-sales service	CCSC	December 9, 2028
ISO 14001 Environmental management system certification	DFIC Guangzhou, DFIC Ningbo, DFIC Qidong, DFIC Lianyungang, DFIC Qingdao, and DFIC Jinzhou	Container design, manufacturing, and after-sales service	CCSC	DFIC Guangzhou, DFIC Lianyungang, and DFIC Jinzhou: December 9, 2028 DFIC Qidong: November 26, 2026 DFIC Ningbo: September 16, 2026 DFIC Qingdao: September 9, 2026
ISO 50001 Energy management system certification	DFIC Guangzhou, DFIC Ningbo, DFIC Qidong, DFIC Lianyungang, DFIC Qingdao, and DFIC Jinzhou	Energy management activities involved in steel container design, manufacturing, and after-sales service	CCSC	DFIC Qingdao: May 4, 2028 DFIC Guangzhou: April 21, 2028 DFIC Jinzhou and DFIC Lianyungang: January 28, 2028 DFIC Qidong and DFIC Ningbo: July 26, 2026

### External Audits of Environment-related Management Systems

Audit	Auditee	Frequency	Focus	Result
Annual audit of environmental management system	Shanghai Universal's headquarters and six container factories	Annually	Monitor and assess how consistently an organization's environmental management system aligns with auditing standards, thereby deciding whether to endorse the continuation of its certification	The certification is maintained
Annual audit of energy management system	Six container factories of Shanghai Universal	Annually	Monitor and assess how consistently an organization's energy management system aligns with auditing standards, thereby deciding whether to endorse the continuation of its certification	The certification is maintained

### Internal Audits of Environment-related Management Systems

Audit	Auditee	Frequency	Focus	Result
Internal audit of environmental management system	Shanghai Universal's headquarters and six container factories	Annually	Compliance and effectiveness of the organization's environmental management system	The environmental management system is appropriately, thoroughly, effectively, and sustainably implemented across the headquarters and container factories
Annual audit of energy management system	Six container factories of Shanghai Universal	Annually	Compliance and effectiveness of the organization's energy management system	The energy management system is appropriately, thoroughly, effectively, and sustainably implemented across all container factories

# Addressing Climate Change

## I Governance

COSCO SHIPPING Development recognizes climate change response as a double-materiality topic for our sustainability management. We have established a leading group for peaking carbon emissions and corresponding working groups to oversee top-level design, coordination, and implementation. Cross-functional coordination is carried out among various departments and subsidiaries, including the Department of Strategic Development, the Department of Industrial Investment, Shanghai Universal, and the SL Division, to embed corporate strategies across all operations. Working groups at all levels possess the necessary climate-related expertise to ensure effective execution and oversight of climate strategies and policies.

Shanghai Universal has implemented the *Regulations on Energy Conservation and Emissions Reduction Management*, under which ECER responsibilities are integrated as binding criteria into the performance evaluations of department heads. If a major environmental incident results in significant social impact, or a serious violation of ECER requirements leads to adverse consequences, all performance-based bonuses may be forfeited.

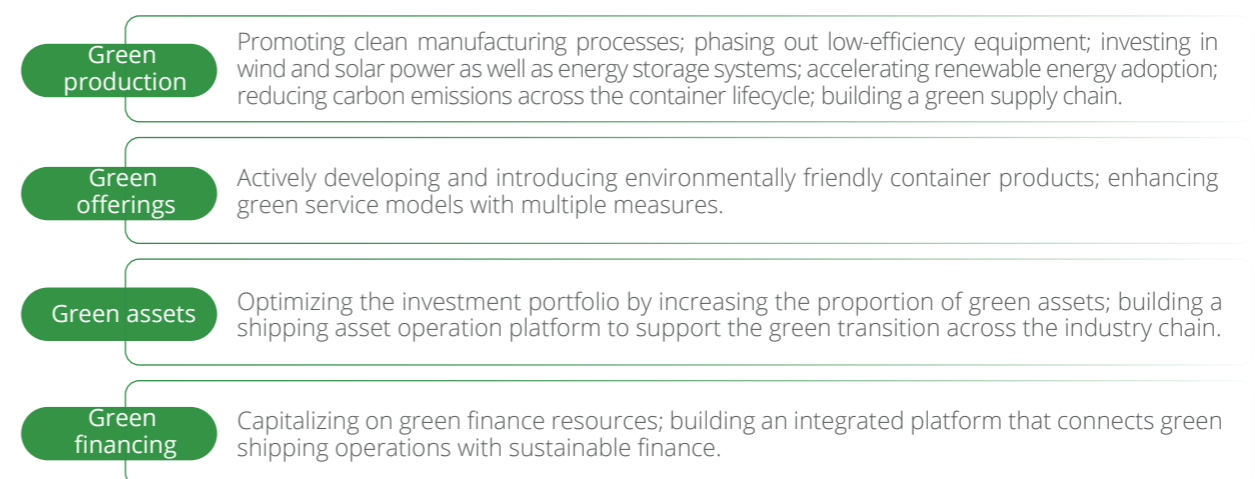
## I Strategy

COSCO SHIPPING Development assesses the implications of internationally recognized carbon trading rules on our operations, and integrates carbon costs into our decision-making system.

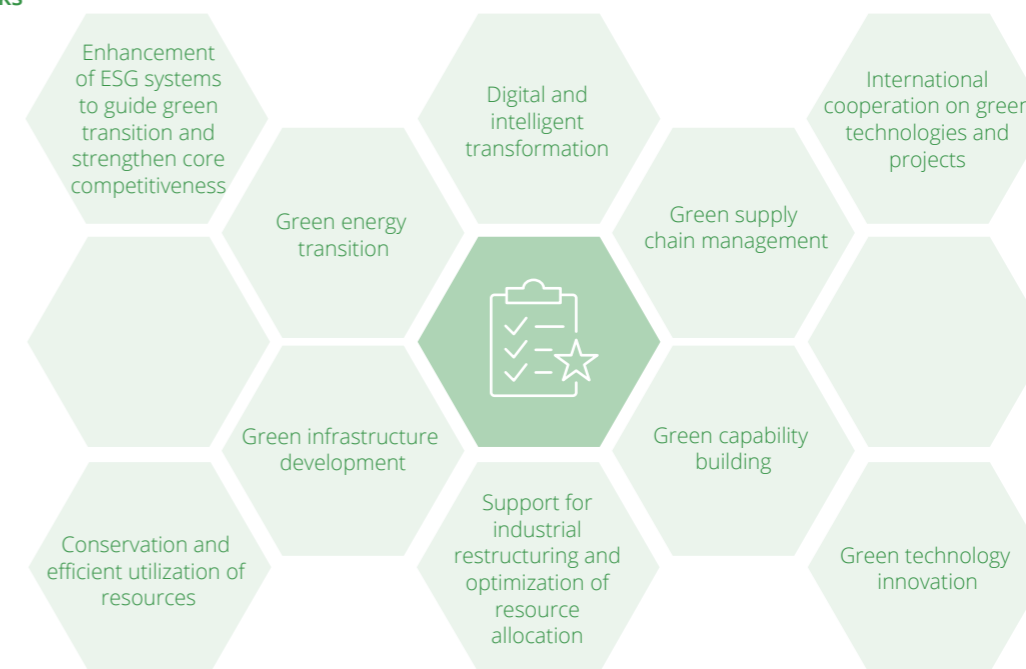
Based on our insights into domestic and international regulatory trends and evolving customer demands, we have formulated the *Low-Carbon Transition Plan and Key Project List for the Industry-Finance Platform*, in alignment with our container leasing, manufacturing, and shipping leasing businesses. As an important roadmap for our green transition, the plan defines medium- and long-term green development objectives and implementation paths. Built around four pillars and eight pathways, it breaks down eleven priority initiatives, supported by dedicated safeguard mechanisms to ensure effective execution.



### Four Pillars of Low-Carbon Transition



### Key Tasks



Climate-related risks affecting our container manufacturing, container leasing, ship leasing, and asset management businesses involve uncertainty. For physical risks, uncertainty mainly stems from the limitations of climate models in forecasting extreme weather events. For transition risks, uncertainty relates to the evolution of global low-carbon policies, technology maturity, and market changes. Adjustments to regulatory policies, such as those of the International Maritime Organization (IMO), may affect our medium- and long-term investment. The maturity and economic viability of low-carbon technologies in upstream industries such as steel are still improving, which may influence costs and the pace of transition in container manufacturing. In addition, it is difficult to precisely predict the pace of change in customer preferences, low-carbon requirements in the shipping industry, and green credit policies of financial institutions. In formulating and adjusting our strategic plans, we comprehensively evaluate the above factors and their potential impacts, and adopt a prudent approach with dynamic optimization.

Time Frame Definitions & Corresponding Strategy and Resource Planning

<b>Short term</b>	By 2025	With a strategic focus on digital transformation and low-carbon development, we aim to reduce carbon intensity from container manufacturing by 19% per RMB 10,000 of revenue from a 2019 baseline.
<b>Medium term</b>	2026–2030	By highlighting "green production, green offerings, green assets, and green financing" in our strategic roadmap, we aim to achieve a 34% reduction in carbon intensity per RMB 10,000 of revenue from a 2019 baseline.
<b>Long term</b>	2031 and beyond	We aim to optimize the strategic roadmap, positioning, objectives, and development initiatives across our four core business segments, while ensuring the flexibility to promptly adjust overall strategic goals and major investment plans as needed.

We analyze climate-related risks and opportunities using several models, including the International Energy Agency (IEA)'s "Net Zero Emissions by 2050 Scenario (NZE Scenario)" and "Stated Policies Scenario (STEPS)," as well as the Shared Socioeconomic Pathways (SSPs) of the Intergovernmental Panel on Climate Change (IPCC). Compared with the previous reporting period, there were no changes to our processes for identifying, assessing, and managing climate-related risks and opportunities.

Institution	Scenario	Reason for Selection
IEA	STEPS: Based on policies currently implemented and officially announced by governments, reflecting energy and emission pathways under existing policy frameworks.	Used to assess the direct impacts of regulations such as energy efficiency standards and carbon pricing on the shipping leasing and container manufacturing businesses, supporting short- to medium-term strategic planning.
	NZE Scenario: a pathway for the global energy system to achieve net-zero CO <sub>2</sub> emissions by 2050 without relying on offsets outside the energy sector.	Used to identify strategic opportunities related to zero-carbon fuels and energy efficiency technologies in asset management, new ship investment, and green container R&D, providing guidance for long-term asset allocation and low-carbon technology investment.
IPCC	SSP5-8.5: an extremely high-emissions scenario where global temperature rise reaches 4.4°C by 2100.	Used to assess the potential impacts of climate change events such as significant sea-level rise and extreme weather events on port operations, ship navigation safety, and infrastructure durability, supporting asset resilience enhancement and emergency planning.
	SSP2-4.5: a moderate emissions scenario where global temperature rise reaches 2.7°C by 2100.	Used to analyze policy and market trends under a moderate emission reduction pathway and guide our deployment in energy efficiency improvement, materials innovation, and environmental technologies in response to progressively stricter regulations and gradually evolving customer demand.

Climate-Related Risk and Opportunity Analysis

Climate-Related Risks					
Category	Description and Risk Level	Financial Impact	Business Model and Value Chain Impact	Period	Strategy and Business Model Adjustment
Transition risks	<b>Policy and legal risks</b> <ul style="list-style-type: none"> <li><b>Container manufacturing</b> <ul style="list-style-type: none"> <li>Under the <i>Green and Low-Carbon Development Action Plan for China's Container Industry</i> issued by the CCA, companies are required to establish carbon emissions accounting systems and adopt emissions reduction technologies, which may increase compliance and retrofit costs. [High]</li> <li>According to the <i>Work Plan for Including the Steel, Cement, and Aluminum Smelting Sectors into the National Carbon Emissions Trading Market (2025)</i> issued by the Ministry of Ecology and Environment (MEE), China will include the steel sector in its carbon market, which may increase steel procurement costs or affect supply stability. [Medium]</li> </ul> </li> <li><b>Shipping leasing</b> <ul style="list-style-type: none"> <li>Failure to comply with increasingly stringent Energy Efficiency Design Index (EEDI), Energy Efficiency Existing Ship Index (EEXI), and Carbon Intensity Indicator (CII) requirements may lead to asset value impairment. [Medium]</li> </ul> </li> <li><b>Asset management</b> <ul style="list-style-type: none"> <li>High-carbon assets, including conventionally fueled ships and containers, may face valuation discounts or reduced liquidity during financing, refinancing, or disposal. [Medium]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Increased compliance costs; higher raw material costs; asset impairment; reduced lease income; penalties.</li> </ul>	Upstream Our operations Downstream	Short term Medium term Long term	<b>Container manufacturing</b> <ul style="list-style-type: none"> <li>Upgrading manufacturing equipment to reduce carbon emissions in container manufacturing.</li> </ul> <b>Shipping leasing</b> <ul style="list-style-type: none"> <li>Promoting the adoption of clean-energy ships and upgrading existing fleets based on charterer demand.</li> </ul> <b>Asset management</b> <ul style="list-style-type: none"> <li>Tracking the carbon emissions of assets; gradually reducing exposure to high-carbon assets and optimizing disposal strategies.</li> </ul>
	<b>Technical risks</b> <ul style="list-style-type: none"> <li><b>Container manufacturing</b> <ul style="list-style-type: none"> <li>Investment in facilities using PV technologies or other clean energy sources involves risks related to technology selection, high upfront capital expenditure, and uncertain payback periods. [Low]</li> </ul> </li> <li><b>Container leasing</b> <ul style="list-style-type: none"> <li>Low-carbon or zero-carbon materials and smart container technologies may weaken the competitiveness of existing container fleets. [Low]</li> </ul> </li> <li><b>Shipping leasing</b> <ul style="list-style-type: none"> <li>Pathways for upgrading ship propulsion systems remain uncertain during the shipping industry's low-carbon transition. [Medium]</li> </ul> </li> <li><b>Asset management</b> <ul style="list-style-type: none"> <li>Carbon emissions tracking and accounting for asset portfolios, required by regulators and investors, involve technology and data quality risks. [Medium]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Higher operating costs from technology investments; accelerated asset replacement; increased data management costs.</li> </ul>	Our operations	Medium term Long term	<b>Container manufacturing</b> <ul style="list-style-type: none"> <li>Modernizing container production lines and optimizing the product mix.</li> <li>Developing bio-based reefer containers and green cold chain equipment.</li> </ul> <b>Container leasing</b> <ul style="list-style-type: none"> <li>Promoting the use of bio-based reefer containers through leasing operations.</li> </ul> <b>Shipping leasing</b> <ul style="list-style-type: none"> <li>Tracking the development and application of clean energy propulsion technologies and customer demand for low-carbon fleets; upgrading ships accordingly.</li> </ul> <b>Asset management</b> <ul style="list-style-type: none"> <li>Conducting carbon inventories and emissions management across asset portfolios.</li> </ul>

Climate-Related Risks						
Category	Description and Risk Level	Financial Impact	Business Model and Value Chain Impact	Period	Strategy and Business Model Adjustment	
Transition risks	Market risks	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Shipping companies and cargo owners incorporate carbon footprints into supply chain assessments. Failure to provide green containers may result in order losses. [Medium]</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Rising demand for low-carbon containers may lead to rental discounts and lower utilization rates for conventional fleets. [Medium]</li> <li>If lessees fail to comply with regulations issued by the IMO or the EU's Fit for 55, resulting in operational restrictions, cost increases, or penalties, their rent payment capacity and renewal willingness may be adversely affected. [Medium]</li> </ul> <p><b>Shipping leasing</b></p> <p>Regulatory, industry, and supply chain pressures may shift customer preference toward eco-friendly and energy-efficient ships, reducing demand for and lease rates of high-emission ships. [Medium]</p> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Disposal of high-carbon assets may become more difficult and time-consuming, affecting portfolio liquidity and overall returns. [High]</li> </ul>	<ul style="list-style-type: none"> <li>Customer preferences are shifting toward green ships and container products, reducing demand for conventional offerings. In addition, extreme weather events undermine lessees' ability to fulfill contractual obligations, which may further impact our revenue.</li> </ul>	Our operations Downstream	Medium term Long term	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Developing green containers and energy-efficient reefer containers to enhance competitiveness.</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Expanding green container portfolios to enhance competitiveness.</li> </ul> <p><b>Shipping leasing and asset management</b></p> <ul style="list-style-type: none"> <li>Tracking the development and application of cleanenergy propulsion technologies and customer demand for low-carbon fleets; promoting cleanenergy ships and upgrading existing fleets accordingly.</li> </ul>
	Reputational risks	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Insufficient performance in energy use, pollution control, or waste management may damage brand reputation and stakeholder relationships. [Medium]</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>As an asset owner, we may face reputational risks if major lessees are subject to public scrutiny due to high emissions or environmental incidents. [Low]</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>Failure to meet stakeholders' heightened requirements for climate-related disclosure and management may adversely affect our ESG performance and reputation. [Medium]</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Inadequate protection of employees from climate-related occupational health risks may result in reputational damage. [Medium]</li> </ul>	<ul style="list-style-type: none"> <li>Reputational damage and the resulting loss of orders will lead to a decline in revenue.</li> </ul>	Upstream Our operations Downstream	Medium term Long term	<p><b>Container manufacturing, container leasing, shipping leasing, and asset management</b></p> <ul style="list-style-type: none"> <li>Providing high-quality sustainability disclosures to meet the expectations of regulators, investors, customers, the media, and other stakeholders.</li> <li>Establishing employee protection guidelines and strengthening safeguards during extreme weather events.</li> </ul>

Climate-Related Risks						
Category	Description and Risk Level	Financial Impact	Business Model and Value Chain Impact	Period	Strategy and Business Model Adjustment	
Physical risks	Acute risks	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Typhoons, floods, and extreme precipitation may damage factories, equipment, and container inventories, disrupting production. [Medium]</li> <li>Extreme temperatures and heavy rainfall may worsen working conditions, increase occupational health risks, and reduce attendance and productivity. [Medium]</li> <li>Extreme weather may disrupt raw material extraction, processing, and transportation, affecting supply chain stability and reducing productivity. [Medium]</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Extreme weather may disrupt key operational nodes of lessees such as ports and yards, affecting container circulation and rental income. [Medium]</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>Severe sea conditions such as super typhoons and hurricanes may cause ship damage, cargo loss, high repair costs, insurance claims, and lease interruptions. [Medium]</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Asset portfolios concentrated in climate-vulnerable regions may face impairment risks. [Medium]</li> </ul>	<ul style="list-style-type: none"> <li>Extreme weather events can damage assets such as ships, containers, and factory facilities, resulting in impairment of fixed assets.</li> <li>Disruptions in the transportation and supply of raw materials, such as steel and wood, caused by extreme weather lead to reduced production capacity and declined revenue.</li> </ul>	Our operations Downstream	Short term Medium term	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Enhancing emergency management and implementing protective measures to reduce the impact of extreme weather on factory operations and employee safety.</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Enhancing communication with core customers, sharing weather alerts, and deepening cooperation.</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>Performing routine inspection and maintenance of equipment, and monitoring official weather updates before and during voyages.</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Establishing emergency response plans to reduce operational disruption.</li> </ul>
	Chronic risks	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Rising temperatures increase cooling energy consumption of workshops and frequent extreme weather events necessitate sustained investment in flood control, reinforcement, and cooling systems, increasing operating and maintenance costs. [Medium]</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Prolonged exposure to heat, humidity, or salt spray may accelerate container aging, increase special maintenance requirements and repair frequency, and reduce overall container availability. [Low]</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Long-term investment and geographic allocation strategies based on historical climate data may become less effective as climate patterns change, leading to lower-than-expected returns. [High]</li> </ul>	<ul style="list-style-type: none"> <li>Disruptions in contract fulfillment may lead to reduced revenue.</li> <li>Amid the trend for low-carbon transition, GHG emissions are increasingly associated with lending activities, increasing financing costs.</li> <li>Higher insurance premiums may push up administrative expenses.</li> </ul>	Our operations Downstream	Long term	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Installing PV systems at container factories to increase the share of clean energy use.</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Applying innovative technologies to improve container durability.</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Establishing emergency response plans to reduce operational disruption.</li> </ul>

Climate-Related Opportunities					
Category	Description and Opportunity Level	Financial Impact	Business Model and Value Chain Impact	Period	Strategy and Business Model Adjustment
Products and services	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Introducing new eco-friendly container products can not only retain existing customers but also attract new ones. [Medium]</li> <li>By emphasizing the low-carbon design in marketing and publicity, we can cater to the shifting consumer preference towards low-carbon products. [Medium]</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Increasing customer demand for low-carbon supply chains creates market opportunities for green container leasing. [Medium]</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>Rising customer demand for green and low-carbon ships creates opportunities for new products and services, expanding potential revenue growth. [Medium]</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Heightened focus by financial institutions on green and low-carbon sectors expands sustainable financing channels for environmental technology R&amp;D and green product manufacturing. [Medium]</li> </ul>	<ul style="list-style-type: none"> <li>We can boost revenue by offering green product premiums and value-added services.</li> <li>We can achieve higher rental rates and asset values for green ships, improving revenue and return on assets.</li> <li>We can expand assets under management through innovative financial products to increase fee-based income.</li> </ul>	Our operations Downstream	Short term Medium term Long term	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Using energy-efficient materials and progressively tracking and accounting for the carbon emissions of containers.</li> <li>Developing and manufacturing energy-efficient reefer containers.</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>Developing green leasing solutions in response to customer demand.</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>Tracking customer demand for green and low-carbon fleets and conducting research on green ships.</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Expanding diversified financing channels to support green ship construction and low-carbon upgrades across the container industry value chain.</li> </ul>
	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Eco-friendly and energy-efficient containers are expected to capture a larger market segment over time. By proactively adjusting container offerings, we can enhance our competitive edge. [High]</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>Low-carbon development has emerged as the main trend for the shipping industry, which signals an uptick in demand for energy-efficient and low-carbon ships. [High]</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>The global expansion of green finance creates significant market opportunities for the financing of green shipping and container assets. [High]</li> </ul>	<ul style="list-style-type: none"> <li>In response to the evolving market demand, we can offer green container products and low-carbon shipping leasing services that can increase our revenue.</li> </ul>			Downstream

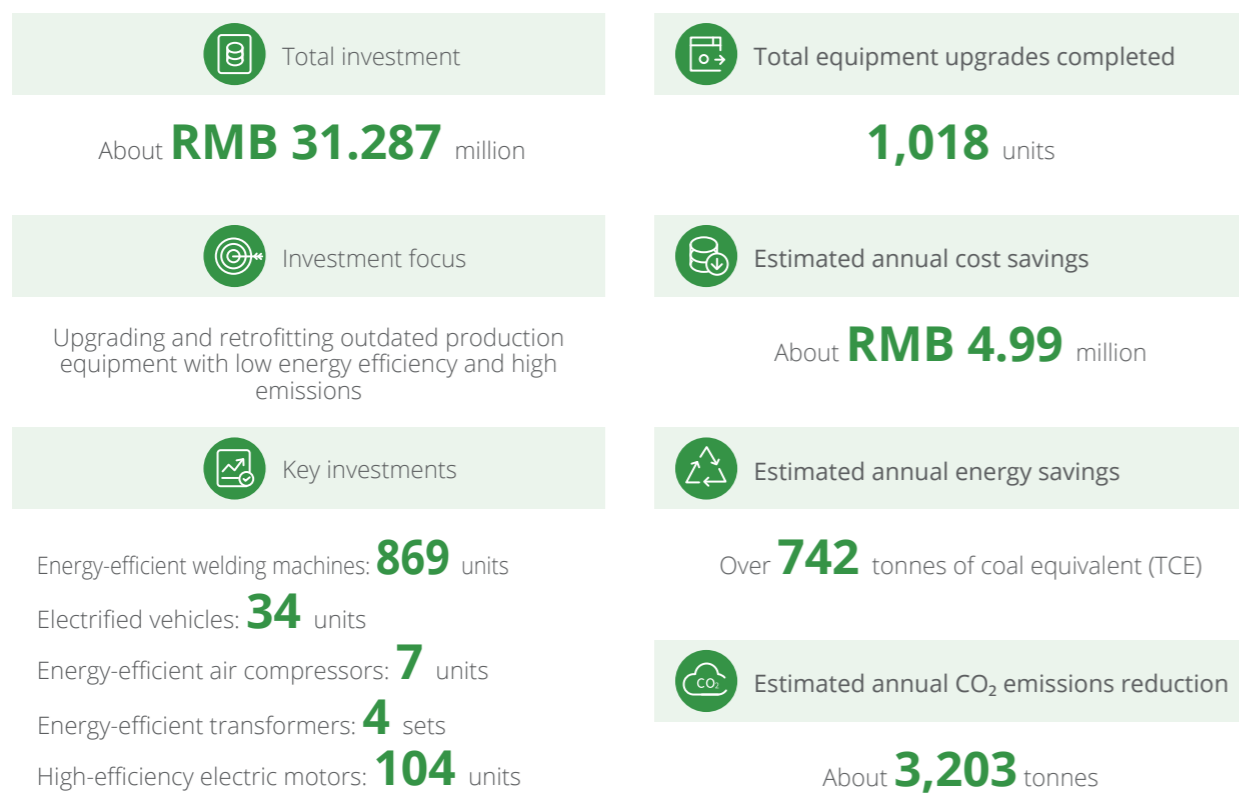
Climate-Related Opportunities					
Category	Description and Opportunity Level	Financial Impact	Business Model and Value Chain Impact	Period	Strategy and Business Model Adjustment
Resource utilization	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Through technological innovation, we can improve energy efficiency in container manufacturing, management, and maintenance. This helps reduce the consumption of electricity, natural gas, water, and other resources, thus lowering production costs. [Medium]</li> <li>We can adopt more efficient production and leasing processes to reduce resource and energy consumption. [Low]</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>We can track customer demand for green fleets, promote the use of green ships, and participate in green shipping projects in preparation for policy and market uncertainty. [High]</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>We can increase the proportion of green assets in investment portfolios to reduce overall risk weighting and improve financing conditions. [Medium]</li> </ul>	<ul style="list-style-type: none"> <li>Against the backdrop of industry-wide low-carbon transition, we can leverage technological innovation to improve energy efficiency in container manufacturing and shipping leasing operations, thereby reducing operational costs.</li> <li>We can make our assets "greener" to reduce financing costs and improve risk-return profiles.</li> </ul>	Our operations	Short term Medium term Long term	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>Installing PV systems at container factories to increase the share of clean energy use.</li> <li>Launching green transportation initiatives in container logistics, using green fleets to reposition empty containers.</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>Using green financing instruments to obtain preferential interest rates.</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>Continuously optimizing asset structure.</li> </ul>
	<p><b>Container manufacturing</b></p> <ul style="list-style-type: none"> <li>By partnering with suppliers who prioritize environmental protection and energy efficiency, we can reduce the carbon footprint of our supply chain and enhance our capacity to address climate change challenges in the long term. [Medium]</li> </ul> <p><b>Container leasing</b></p> <ul style="list-style-type: none"> <li>By improving the overall environmental standards of the container fleet, we can strengthen existing customer relationships and enhance long-term customer retention. [Medium]</li> </ul> <p><b>Shipping leasing</b></p> <ul style="list-style-type: none"> <li>We can increase the proportion of green ships, where appropriate, in preparation for policy and market uncertainty. [High]</li> </ul> <p><b>Asset management</b></p> <ul style="list-style-type: none"> <li>We can proactively manage transition risks to enhance long-term portfolio stability and value in a low-carbon economy. [High]</li> </ul>	<ul style="list-style-type: none"> <li>By developing a green supply chain and green asset portfolio, we can reduce future compliance costs, asset impairment risk, and customer attrition risk, to support long-term value stability and growth.</li> </ul>			Upstream Our operations Downstream

Based on this year's risk and opportunity assessment, we identified no material risks that would result in significant adjustments to the carrying values of our assets or liabilities for the current and next years. Investment planning related to climate-related opportunities is aligned with our overall strategy. The financial impacts of climate-related risks are influenced by multiple factors, including operations and market conditions. At this stage, it is difficult to independently identify and quantify such impacts based on conventional financial data. In view of commercial sensitivity and data availability constraints, we do not currently disclose this information.

## Green Container Manufacturing

Container manufacturing is COSCO SHIPPING Development's primary source of carbon emissions. In 2025, we launched a carbon emissions management system for our industry-finance platform, enabling systematic management of carbon emissions monitoring, reporting, verification, and analysis. The system improves the efficiency of data connection and consolidation while making carbon emissions management more consistent and transparent. In addition, Shanghai Universal advanced green retrofit projects to reduce energy consumption and carbon intensity in production.

### Investment and Performance of Green Retrofit Projects at Shanghai Universal in 2025



### The World's First Container CFP & EPD Platform Supports Green Development Across the Industry Chain

Case

We continue to advance the development of the world's first Container CFP & EPD Platform, promoting the market application of green container manufacturing outcomes. As of 2025, the platform had engaged 107 enterprises across the industry chain, released 9 Product Category Rules (PCRs), and issued 64 CFP/EPD certificates. CFP/EPD assessments were completed for 19 core products across 6 container factories under Shanghai Universal, supporting the development of an industry-wide decarbonization ecosystem.

At the 2025 Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements, we launched the world's first Container CFP & EPD Certification Label. By the end of 2025, the label was used on more than 500,000 containers, supporting the development of green shipping.

### Bio-based Reefer Containers Drive the Green Transition of Cold-Chain Equipment

Case

In August 2025, DFIC Qingdao delivered the world's first batch of reefer containers manufactured using bio-based materials derived from corn straw. Instead of traditional high-carbon materials, key components adopt high-strength and lightweight bio-based polyamide materials, reducing lifecycle carbon emissions. At the end of their service life, the materials can be recycled for use in sectors such as textiles and 3D printing, forming a closed-loop material cycle. The project received the 2025 Outstanding Case Award for Container Technology Innovation from CClA, providing a reference for the low-carbon development of logistics equipment.

### Green Transportation Projects Create New Low-Carbon Business Scenarios

Case

DFIC Qingdao, a container factory under Shanghai Universal, launched a green transportation project in collaboration with industry partners. The project deploys a fleet of 18 heavy-duty electric trucks to transport empty containers between the factory and the port, avoiding fuel-based transportation. Expected to handle an average of about 1,200 trips per day, the project achieves a daily CO<sub>2</sub> emissions reduction of 14.4 tonnes and an annual reduction exceeding 5,000 tonnes, equivalent to the impact of planting about 10,000 trees, thereby significantly reducing carbon emissions in the container logistics process.

Shanghai Universal organized training programs focused on energy conservation, emissions reduction, resource efficiency, and waste management to enhance the professional knowledge and capabilities of management personnel and equipment operators. In 2025, Shanghai Universal organized 13 training sessions on water-efficiency, reaching 9,377 participants, and 31 training sessions on material conservation and hazardous waste management, reaching 13,327 participants.



All six container factories under Shanghai Universal are equipped with PV power stations.

### Environment-Friendly Factory Initiatives at Shanghai Universal



#### Using green energy

- As of 2025, all six container factories under Shanghai Universal have been equipped with distributed PV power stations, with a total installed capacity of 22.82 MW, generating 18.4572 million kWh annually and reducing CO<sub>2</sub> emissions by 10,700 tonnes.
- In 2025, total clean energy consumption reached 224.7995 million kWh, including 22.1988 million kWh of purchased green electricity. Clean electricity accounted for over 10% of total electricity consumption.
- DFIC Qidong commissioned and connected a 3.75 MW/10.06 MWh energy storage power station to support clean energy utilization.



#### Reducing PM emissions

- We reduced PM emissions by using cyclonic spray scrubbers, pulse dust collectors, and other treatment facilities.
- DFIC Qidong installed dust removal systems at multiple welding processes, reducing emissions by 8.35 tonnes annually.
- DFIC Ningbo completed upgrades to activated carbon units and welding fume treatment equipment, reducing emissions by 0.4 tonnes annually.



#### Reducing VOCs

- Exhaust gas emissions comply with national and local standards, with no excessive emissions.
- A "zeolite rotor concentrator + RTO" treatment process is employed to reduce VOC emissions.
- DFIC Qidong has completed the RTO retrofit project, achieving an annual emission reduction of 17.58 tonnes.
- DFIC Ningbo has installed RTO environmental protection equipment for topcoat painting, achieving an annual emission reduction of 1 tonne.
- DFIC Qingdao has implemented exhaust gas control for topcoat painting and front and rear frame spray painting of reefer containers, achieving an annual emission reduction of 32 tonnes.
- DFIC Lianyungang has implemented an environmental retrofit of the standard container painting line, achieving an annual emission reduction of 5.38 tonnes.



#### Hazardous waste management

- Hazardous waste is registered with the national hazardous waste information management system and reported to local ecological and environmental authorities.
- Full-process records are maintained from generation and storage to transfer and disposal.
- Hazardous waste storage sites are operated in compliance with standards, with complete and properly archived transfer documentation.



#### Saving raw materials

- Raw material yields are improved.
- Waste is classified and recycled through qualified third-party service providers.



#### Conserving water resources

- Production wastewater is treated at onsite wastewater treatment facilities and reused in production processes.
- Domestic wastewater is treated at onsite facilities and discharged into municipal systems after meeting relevant standards.

### Honors and Awards

- 🏆 Two additional container factories were designated as National Green Factories in 2025 (final approval completed in February 2026). All six container factories are National Green Factories, marking a significant milestone in the Company's low-carbon transition.
- 🏆 Core products from all six container factories obtained CFP and EPD certification reports issued by CCSC.
- 🏆 The Container CFP & EPD Platform was recognized as a 2025 "Golden Pinnacle" Excellent Case for Green Development Practices by CNR Network Finance Center, included in the *Blue Book on ESG for Listed Companies of Central State-owned Enterprises (2025)* published by SASAC of the State Council, and selected as a 2025 "Best Practice Case for Sustainable Development of Listed Companies" by the China Association for Public Companies.

### Green Shipping

COSCO SHIPPING Development focuses on clean-energy ships, prioritizing investment in a younger, more energy-efficient fleet and advancing pilot initiatives for green, zero-carbon, intelligent electric ships. We have successfully commissioned two electric ships, Zhong Yuan Hai Yun Lv Shui 01 and Zhong Yuan Hai Yun Lv Shui 02. We have also actively participated in the development of industry standards by providing professional recommendations for the revision of the *Specifications for Power Batteries Used in Ships*, contributing to the low-carbon and standardized development of the shipping industry.

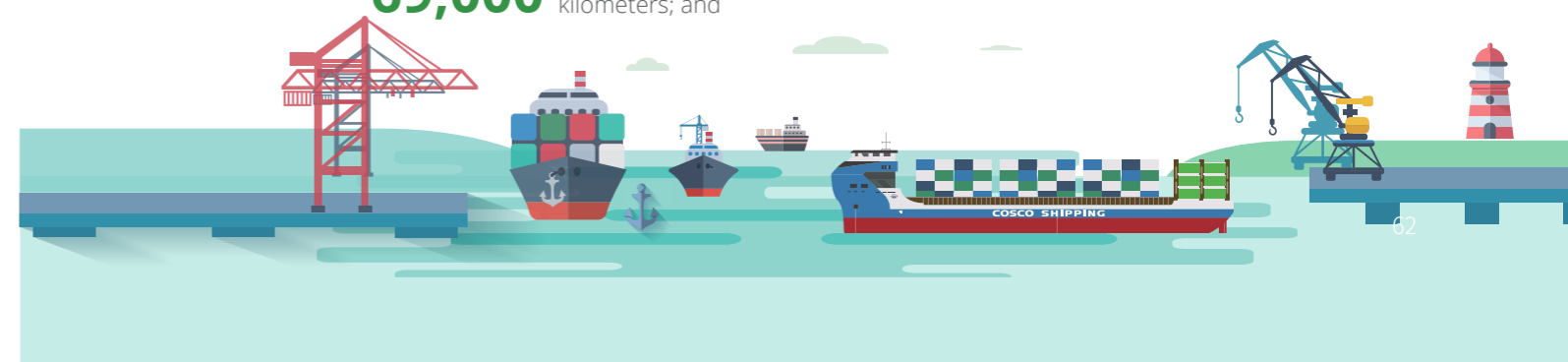
Ship charging and battery swapping networks are critical infrastructure for green shipping. Centered on ports along the Yangtze River, we have been systematically advancing the development of charging and battery swapping networks across major ports and waterways nationwide. As of the end of the reporting period, three charging and battery swapping stations located in Yangshan (Shanghai), Tonghai (Nantong), and Longtan (Nanjing) had serviced 3,944 battery units, effectively ensuring the stable operation of 700-TEU electric ships.

### Key Performance Highlights

#### From the commencement of operations of the first electric ship to the end of the reporting period,

our two electric ships, Zhong Yuan Hai Yun Lv Shui 1 and Zhong Yuan Hai Yun Lv Shui 2, in aggregate:

- completed **73** round voyages;
- reduced CO<sub>2</sub> emissions by about **3,174** tonnes (compared to conventional fuel-powered ships on the same route and of equivalent tonnage).
- achieved safe navigation of about **69,000** kilometers; and



## Green Financing

COSCO SHIPPING Development leverages industry-finance synergies to advance green finance initiatives. In accordance with the *Green Transition Plan*, we have expanded our financing channels and facilitated the implementation of financing projects aligned with domestic and international sustainability standards.

### Green Finance Cooperation Projects

Entity	Project Overview	Framework and Certification Basis
COSCO SHIPPING Development	<ul style="list-style-type: none"> <li>In January 2025, COSCO SHIPPING Development issued the first corporate bond for technology innovation and low-carbon transition in the shipping sector. The proceeds were used to support the construction of 42 energy-efficient bulk carriers with energy efficiency levels exceeding the Phase III EEDI requirements. The coupon rate reached a market record low.</li> </ul>	<ul style="list-style-type: none"> <li>The bond is certified by Lianhe Equator Environmental Impact Assessment Co., Ltd. ("Lianhe Equator") and recognized by the SSE as both a Technology Innovation bond and a Low-Carbon Transition bond.</li> </ul>
SL Division	<ul style="list-style-type: none"> <li>In 2025, the SL Division secured transition loans totaling about RMB 900 million.</li> </ul>	<ul style="list-style-type: none"> <li>The SL Division conducts green financing in alignment with the <i>Catalogue of Economic Activities Supported by Transition Finance (Water Transport Industry)</i> (Draft for Comments).</li> </ul>
Florens	<ul style="list-style-type: none"> <li>In 2025, Florens drew down more than USD 450 million in transition loans to support low-carbon upgrades across the container industry chain.</li> </ul>	<ul style="list-style-type: none"> <li>COSCO SHIPPING Development entered into a framework agreement with Standard Chartered Bank to advance transition and sustainable finance cooperation across the entire container industry chain.</li> </ul>
	<ul style="list-style-type: none"> <li>In 2025, Florens secured one sustainability-linked loan (SLL) totaling USD 150 million from Bank of China (Hong Kong).</li> </ul>	<ul style="list-style-type: none"> <li>Loans are structured in accordance with the <i>Sustainability-Linked Loan Principles</i> jointly issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA), and the Loan Syndications and Trading Association (LSTA).</li> </ul>

## Green Office

COSCO SHIPPING Development champions environmentally responsible practices in the workplace by offering training and awareness programs that enhance employees' understanding of environmental protection. At the same time, employees are encouraged to incorporate green and low-carbon principles into their daily routines, contributing to environmental protection through practical actions. We have established "Green Teams" to implement measures, including packaging reduction, waste recycling, and energy-efficient lighting, in production.

### Efficient Energy Utilization

Air-conditioning operating parameters are appropriately configured to enable refined energy management. High-efficiency, low-power office equipment and LED lighting are introduced to prevent energy waste. Intelligent charging facilities are installed to facilitate the use of clean energy.

### Intensive Water Resource Management

Water-saving signage is displayed to raise awareness of water conservation. A routine inspection mechanism is established to promote efficient water use and recycling.

### Resource Recycling and Sustainable Use

Green and healthy dietary practices are promoted, and responsible dining practices are implemented to strengthen food conservation awareness and improve resource efficiency.

### Low-Carbon Travel and Emissions Reduction

The adoption of new energy vehicles is promoted to support low-carbon transportation.

### Waste Reduction

Waste sorting is implemented to enhance resource recovery. Paperless office practices are promoted to digitalize business processes. A waste paper classification, recycling, and reuse mechanism is established to support circular economy development.

## I Management of Impacts, Risks, and Opportunities

We have integrated sustainability-related risk management into our enterprise risk management framework. During risk identification, we have established sustainability-related monitoring indicators across internal control, compliance, safety, environmental protection, and reputation. Each year, we identify five key risks. In respect of the identified risks, we conduct dedicated assessments and sensitivity analyses, refine early warning indicators, and develop corresponding control measures. In routine monitoring, core indicators are tracked on a monthly basis with sensitivity analysis conducted. If any abnormality is detected, timely intervention is undertaken. This approach forms a closed-loop management process covering risk identification, analysis, response, and monitoring. In 2025, we conducted risk assessments. According to the results, we will face sustainability-related risks mainly associated with environmental protection, energy conservation and emissions reduction, and customer contract performance in 2026.

### Process for Managing Climate-Related Risks and Opportunities



All six factories operated by Shanghai Universal have established emergency response plans for extreme weather events. Emergency procedures can be promptly activated to safeguard personnel and assets.

## I Indicators and Targets

In 2025, COSCO SHIPPING Development set an overall GHG emission intensity target of 0.0931 tCO<sub>2</sub> per RMB 10,000 of revenue, based on a comprehensive assessment of emission trends across our business segments and overall business planning. The actual emission intensity was 0.0904 tCO<sub>2</sub> per RMB 10,000 of revenue, meeting the target.

Given that GHG emissions mainly arise from container manufacturing and transportation activities, we set carbon emission targets for Shanghai Universal, covering Scope 1 and Scope 2 emissions. Using 2019 as the base year, the container manufacturing business has a short-term target to reduce CO<sub>2</sub> emission intensity per RMB 10,000 of revenue by 19% by 2025, a medium-term target to reduce CO<sub>2</sub> emission intensity per RMB 10,000 of revenue by 34% by 2030, and a long-term target to achieve carbon neutrality before 2050. Shanghai Universal reached its peak carbon emissions in 2021, with total GHG emissions of 0.268 million tonnes.

### Shanghai Universal's Environmental Management Goals

Category	Environmental Management Goals	2025 Progress
GHG emissions	To reduce CO <sub>2</sub> emission intensity per RMB 10,000 of revenue by 19% by 2025 and 34% by 2030, compared with the 2019 level	CO <sub>2</sub> emission intensity per RMB 10,000 of revenue reduced by 43% in 2025, compared with the 2019 level
Hazardous and non-hazardous waste	Total amount of hazardous and non-hazardous waste generated annually ≤ 140,000 tonnes by 2025 and ≤ 130,000 tonnes by 2026	Generated 138,952.87 tonnes of hazardous and non-hazardous waste in 2025
Wastewater	Total volume of wastewater generated annually ≤ 1,020,000 tonnes by 2025 Total volume of wastewater generated annually ≤ 900,000 tonnes by 2026	Generated 881,893.76 tonnes of wastewater in 2025

Absolute emission reduction approach: To support China's targets to peak carbon emissions by 2030 and achieve carbon neutrality by 2060, COSCO SHIPPING Development has developed a low-carbon transition roadmap and set clear CO<sub>2</sub> reduction targets. As part of this roadmap, we are deploying distributed PV systems at container factories and implementing energy-efficiency upgrades across production processes to ensure timely delivery of our emissions reduction commitments.

Energy Use		
Indicator	Unit	2025
Total energy consumption	MWh	607,866.57
	TCE	74,706.80
	<b>Note</b> <ul style="list-style-type: none"> <li>2025 data includes gasoline, diesel, natural gas, and electricity.</li> <li>The data covers the operations of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).</li> <li>The factors are based on GB/T 2589-2020 <i>General Rules for Calculation of the Comprehensive Energy Consumption</i> and the <i>Provincial Guidance on the Compilation of Greenhouse Gas Inventory (2025)</i> issued by the MEE.</li> </ul>	
Energy consumption intensity	MWh/TEU	0.3408
	TCE/TEU	0.0419
	<b>Note</b> <ul style="list-style-type: none"> <li>The data covers the operations of Shanghai Universal's headquarters and its six container factories.</li> </ul>	
<b>Direct Energy</b>		
Total consumption	MWh	234,646.13
	TCE	28,838.01
	<b>Note</b> <ul style="list-style-type: none"> <li>Diesel and natural gas data cover the six container factories of Shanghai Universal.</li> <li>Gasoline data covers the operations of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).</li> </ul>	
Diesel	liter	4,939,429.05
Diesel	tonne	4,150.78
Gasoline	liter	147,740.16
Gasoline	tonne	107.84
Total fuel consumption	liter	5,087,169.21
Natural gas	m <sup>3</sup>	17,015,964.00
<b>Indirect Energy</b>		
Total consumption	MWh	373,220.43
	TCE	45,868.79
	<b>Note</b> <ul style="list-style-type: none"> <li>Green electricity data covers the operations of the six container factories of Shanghai Universal. Other purchased electricity data covers the operations of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).</li> <li>PV power generation data covers five container factories of Shanghai Universal. DFIC Ningbo completed the installation process by the end of 2025. No PV power generation was recorded during the year.</li> </ul>	

Energy Use		
Indicator	Unit	2025
Total volume of green electricity transactions	MWh	22,198.75
Total volume of green electricity transactions	TCE	2,728.23
Other purchased electricity	MWh	332,564.43
Other purchased electricity	TCE	40,872.17
PV power generation	MWh	18,457.25
PV power generation	TCE	2,268.40
<b>Clean Energy</b>		
Total consumption	MWh	224,799.47
Total consumption	TCE	27,627.85
Natural gas	MWh	184,143.47
Natural gas	TCE	22,631.23
Proportion of natural gas consumption	%	30.29
PV power generation	MWh	18,457.25
PV power generation	TCE	2,268.40
Proportion of PV power consumption	%	3.04
Total volume of green electricity transactions	MWh	22,198.75
Total volume of green electricity transactions	TCE	2,728.23
<b>Renewable Energy</b>		
Total consumption of renewable energy	MWh	40,656.00
Total consumption of renewable energy	TCE	4,996.62

- Note**
- The data covers the operations of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).
  - Renewable energy includes PV power and green electricity.

Use of Water		
Indicator	Unit	2025
Total water consumption	tonne	1,160,386.52
Wastewater generated	tonne	881,893.76
Water use intensity	tonne/TEU	0.6501

- Note**
- The data covers the operations of COSCO SHIPPING Development, Shanghai Universal's headquarters and its six container factories.
  - Total water consumption comprises domestic water use and process water use.
  - The amount of wastewater generated is calculated as 76% of total water consumption.

GHG Emissions		
Indicator	Unit	2025
GHG emissions (Scope 1 + Scope 2)	tCO2e	227,073.69
	<b>Note</b> <ul style="list-style-type: none"> <li>• The data covers the operations of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).</li> </ul>	
GHG emission intensity (Scope 1 + Scope 2)	tCO2e/TEU	0.1265
	<b>Note</b> <ul style="list-style-type: none"> <li>• The data covers the operations of Shanghai Universal's headquarters and its six container factories.</li> </ul>	
GHG emission intensity (Scope 1 + Scope 2) per unit of energy consumption	tCO2/TCE	3.0395
	Scope 1 emissions	tCO2e
<b>Note</b> <ul style="list-style-type: none"> <li>• The data covers the operations of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).</li> <li>• Emission factors are based on Annex II to the <i>Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Machinery and Equipment Manufacturing Enterprises (Trial)</i> and the <i>Provincial Guidance on the Compilation of Greenhouse Gas Inventory (2025)</i>.</li> </ul>		
Scope 2 emissions	tCO2e	174,079.78
	<b>Note</b> <ul style="list-style-type: none"> <li>• The data covers the operations of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).</li> <li>• Location-based emission factors are used, including the 2023 provincial grid average CO<sub>2</sub> emission factors, as published in the <i>Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2023</i> by the MEE and the National Bureau of Statistics.</li> <li>• The CO<sub>2</sub> emissions offset by green electricity certificates are not included.</li> </ul>	
Total CO2 emission reduction	tCO2e	23,216.42
Emission reduction from equipment retrofitting	tCO2e	3,203.00
Emission reduction from PV power generation	tCO2e	10,672.51
Emission reduction from purchased green electricity certificates	tCO2e	9,340.91
Indirect GHG emissions offset (Scope 2)	tCO2	9,340.91
GHG emissions offset (Scope 1 + Scope 2)	tCO2	9,340.91

GHG Emissions		
Indicator	Unit	2025
Scope 3 emissions	tCO2e	771,095.16
	<b>Note</b> ● In 2025, the Company conducted Scope 3 emissions accounting for the first time. For Category 1, the accounting boundary covers carbon emissions arising from bamboo and wood flooring used as raw materials in container production at DFIC Qidong. For Category 6, the accounting boundary covers carbon emissions from business travel by headquarters employees, including air and rail travel. For Category 13, the accounting boundary covers carbon emissions generated from the shipping leasing business. The Company will progressively expand the accounting boundary and increase the number of categories covered.	
Category 1: Purchased goods and services	tCO2e	14,440.00
Category 6: Business travel	tCO2e	94.48
Category 13: Downstream leased assets	tCO2e	756,560.68
Number of products verified for carbon footprint	/	21

**Note**  
 ● GHG emissions are calculated in CO<sub>2</sub>.

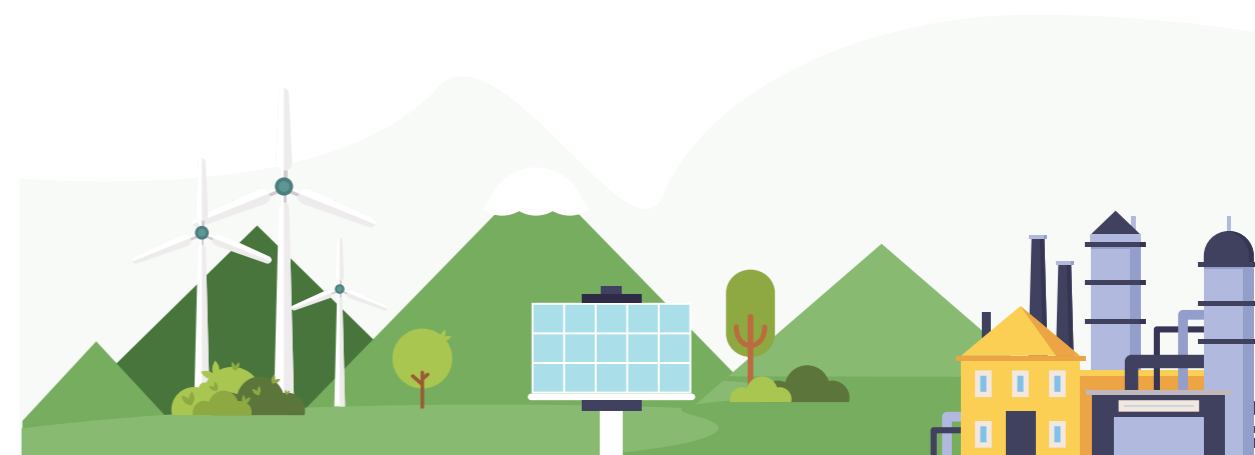
Exhaust Gas Management		
Indicator	Unit	2025
NOx emissions	tonne	91.916
NOx emissions intensity	kg/TEU	0.0516
SOx emissions	tonne	5.812
SOx emissions intensity	kg/TEU	0.0033
PM emissions	tonne	7.759
PM emissions intensity	kg/TEU	0.0044

**Note**  
 ● The data covers mobile source emissions of COSCO SHIPPING Development, Shanghai Universal (headquarters and six container factories), and Florens (Hong Kong headquarters).

**Data revision**  
 ● In 2024, NOx emissions amounted to 91.548 tonnes, with an emission intensity of 0.064 kg/TEU. PM emissions amounted to 7.825 tonnes, with an emission intensity of 0.005 kg/TEU.

Waste Management		
Indicator	Unit	2025
Total hazardous waste	tonne	25,881.56
	<b>Note</b> ● Hazardous waste includes paint sludge, used paint buckets, and paint-contaminated materials.	
Hazardous waste discharge intensity	tonne/TEU	0.0145
Total non-hazardous waste	tonne	113,071.30
	<b>Note</b> ● Non-hazardous waste includes scrap steel, waste iron powder, and waste wood.	
Non-hazardous waste discharge intensity	tonne/TEU	0.0635
Total waste recycled/reused	tonne	120,270.39
Amount of hazardous waste recycled/reused	tonne	14,247.20
Amount of non-hazardous waste recycled/reused	tonne	106,023.19
Proportion of recycled waste	%	86.55
Total waste disposal	tonne	18,682.47
Landfill waste	tonne	479.64
Waste incinerated with energy recovery	tonne	10,528.95
Waste incinerated without energy recovery	tonne	3,085.47
Waste disposed of otherwise	tonne	4,387.02
Waste stored	tonne	201.39

**Note**  
 ● The data covers the operations of Shanghai Universal's headquarters and its six container factories.





5

# Putting People First

to Consolidate the Foundation for Sustainable Development

COSCO SHIPPING Development demonstrates our commitment to a people-oriented approach through concrete actions. We have established comprehensive systems to protect employee rights, support career development, and provide employee care, strengthening organizational cohesion. We also extend this responsibility to society by leveraging our industrial capabilities to support rural revitalization and engage in public welfare initiatives. Through these actions, we integrate employee well-being, corporate development, and social progress, thereby supporting high-quality and sustainable development.

- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES

# Protecting Employee Rights and Promoting Diversity & Inclusion

We strictly comply with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other applicable laws and regulations to safeguard the lawful rights and interests of all employees. We provide remuneration not lower than the statutory minimum wage standard, manage working hours by setting limits and strictly controlling overtime with overtime compensation paid in accordance with applicable laws, ensure the full implementation of paid leave entitlements, maintain regular communication with employee representatives to continuously improve working conditions, and provide training and retraining programs to support employees in responding to challenges arising from industry developments and climate transition.

In 2025, we issued the *Employee Handbook* as the basic code of conduct for all employees. The Handbook supports new employees' onboarding and enables them to clearly understand company requirements and their rights.

## Employee Rights Protection System of COSCO SHIPPING Development

Category	Main Documents
Code of conduct	<ul style="list-style-type: none"> <li><i>Employee Handbook</i></li> </ul>
Recruitment	<ul style="list-style-type: none"> <li><i>COSCO SHIPPING Development Regulations on Employee Recruitment</i></li> </ul>
Compensation and benefits	<ul style="list-style-type: none"> <li><i>COSCO SHIPPING Development Regulations on Payroll Management (Trial)</i></li> <li><i>COSCO SHIPPING Development Regulations on Performance Assessment (Trial)</i></li> </ul>
Leaves and attendance	<ul style="list-style-type: none"> <li><i>COSCO SHIPPING Development Regulations on Employee Attendance and Leaves Management</i></li> </ul>
Women's rights and interests	<ul style="list-style-type: none"> <li><i>COSCO SHIPPING Development Special Collective Agreement for Female Employees</i></li> </ul>
Employee engagement in governance	<ul style="list-style-type: none"> <li><i>COSCO SHIPPING Development Detailed Rules for the Operation of the Workers' Congress</i></li> <li><i>COSCO SHIPPING Development Collective Agreement</i></li> </ul>

In addition, we are guided by internationally recognized standards, including the *Universal Declaration of Human Rights*, the conventions of the International Labour Organization, and the *Ten Principles of the UN Global Compact*. We respect human rights in our labor practices and align our policies with internationally recognized principles.

## I Equal Employment Opportunities

We strictly prohibit all forms of employment discrimination. The *COSCO SHIPPING Development Regulations on Employee Recruitment* stipulate that job qualifications shall be established based on industry characteristics and objective criteria relevant to the position. Recruitment standards and key screening criteria should be clearly defined and specific, and it is strictly prohibited to set any conditions that are targeted, discriminatory, or irrelevant to job responsibilities.

During the recruitment process, we strictly adhere to these requirements. Employment decisions are based solely on job-related criteria and are not influenced by age, gender, nationality, skin color, ethnicity, religious belief, language, or any other characteristics unrelated to the position. Recruitment procedures are compliant, fair, and transparent.

In employment management, we comply with applicable laws and regulations and enter into labor contracts with all employees in accordance with the law. We place particular emphasis on protecting the lawful rights and interests of female employees, and are committed to fostering a fair, respectful, and supportive workplace. We adopt a zero-tolerance approach to discrimination, harassment, and other forms of misconduct. Employees may report related incidents through established internal procedures, and the Supervision and Audit Department is responsible for investigating and addressing such cases.

We strictly prohibit child labor and any form of forced labor in compliance with applicable laws and regulations, including the State Council's *Provisions on the Prohibition of Using Child Labor*. COSCO SHIPPING Development (Hong Kong) Co., Ltd. stipulates in its *Employee Management Regulations (Trial)* that employees must be at least 18 years old. In the event of any violation involving child labor or forced labor, employees are required to report the matter immediately to the Human Resources Department. The Human Resources Department will promptly notify the competent local labor authorities and initiate investigation, verification, and corrective actions without delay.

We are committed to fostering harmonious labor relations. We have established internal grievance and communication mechanisms to ensure effective dialogue with employees and cooperate with labor arbitration institutions in handling labor disputes in accordance with the law. During the reporting period, we handled relevant labor disputes in accordance with applicable laws and regulations. The cases did not have a material impact on our normal operations or financial position.

### Key Performance Highlights

#### In 2025

- We reported zero incidents of discrimination or harassment.
- There were no incidents involving child labor or forced labor.
- No large-scale layoffs occurred.
- Over the past three years, employees have not staged shutdowns or strikes due to any disputes with us.



## I Reasonable Compensation

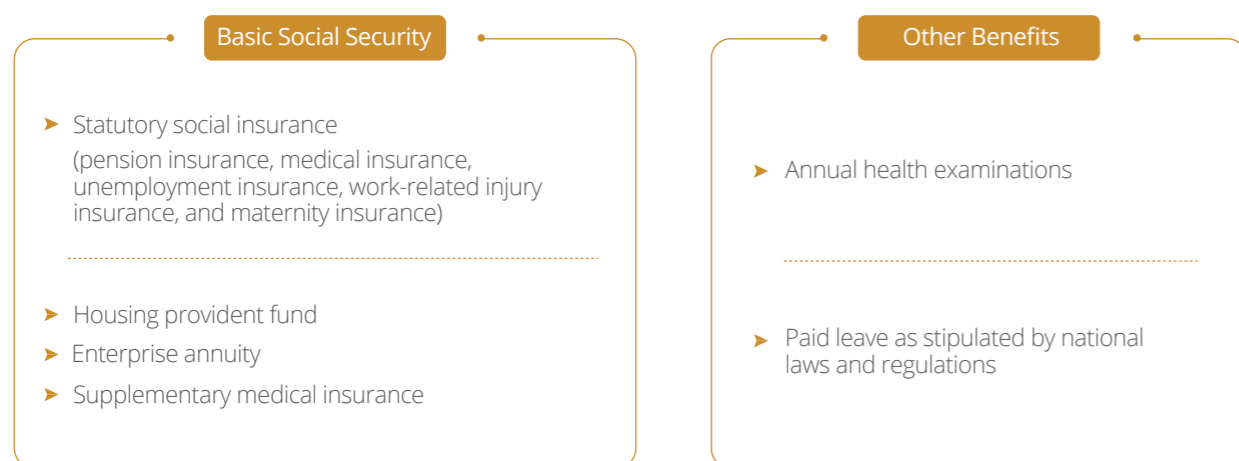
In our compensation and performance management, we combine incentives with accountability. We maintain a fair and equitable management system and provide employees with competitive remuneration.

Guided by our strategic objectives, we cascade annual targets to individuals, forming an accountability mechanism embedded across our business processes. The performance management system applies objective and impartial assessment criteria to ensure that remuneration aligns with performance and contribution. Department heads provide annual performance feedback to employees to ensure the objectivity and fairness of the appraisal process.

In 2025, all employees were paid in full and on time, with no wage arrears recorded.

We safeguard the legitimate rights and interests of employees in compliance with applicable national and local laws and regulations. In addition to providing statutory social security programs as required by local regulations, we offer the following benefits and protections:

### Employee Rights and Benefits Framework of COSCO SHIPPING Development



## I Employee Engagement in Governance

We value employee participation and continuously strengthen our governance mechanisms. We strictly adhere to the *COSCO SHIPPING Development Detailed Rules for the Operation of the Workers' Congress* and the *Regulations on the Disclosure of Factory Affairs*, safeguarding employees' rights to information, participation, expression, and supervision. By standardizing the convening of staff representative congresses, fully implementing factory affairs disclosure, and actively promoting collective consultation, we have established a systematic mechanism for employees to voice concerns and safeguard their rights, fostering shared development between our employees and us. During the reporting period, collective agreements covered 100% of the workforce.

In 2025, six container factories of Shanghai Universal convened staff representative congresses and joint meetings of employee representatives. Bulletin boards were installed in office buildings and plant areas to further strengthen democratic supervision and management mechanisms and enhance employee engagement and participation.

## Employee Structure

Indicator		Scope	Unit	2025
Total number of full-time employees			person	16,581
By gender	Male		person	15,720
	Female		person	861
By age	Under 30		person	3,007
	30-39		person	7,839
	40-49		person	4,756
	50 and above		person	979
By geographic distribution	In the Chinese mainland	Regular employees, contractors, and outsourced employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	person	16,535
	Outside the Chinese mainland		person	46
By employment type	Regular employees		person	1,654
	Contractors		person	29
	Outsourced employees		person	14,898
By seniority level	Senior technicians		person	103
	Mid-level technicians		person	316
	Junior technicians		person	144
	Other		person	16,018
Type A employees by educational background	Below junior college degree		Regular employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	person
	Junior college degree	person		169
	Bachelor's degree	person		689
	Master's degree and above	person		242
Type B employees by educational background	Below junior college degree	Contractors and outsourced employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	person	13,489
	Junior college degree		person	1,125
	Bachelor's degree		person	277
	Master's degree and above		person	36
By ethnicity	Han ethnicity	Regular employees, contractors, and outsourced employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	person	15,580
	Non-Han ethnicities		person	955
	Expatriates		person	46
Employees with disabilities			person	9

Indicator	Scope	Unit	2025
Proportion of women in management	Regular employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	%	31.28
Proportion of women in junior management		%	31.90
Proportion of women in middle management		%	27.45
Proportion of women in senior management		%	41.67
Proportion of women in revenue-generating management positions		%	21.05
Proportion of women in STEM positions		%	19.61
Number of Han Chinese employees in management positions		person	173
Number of ethnic minority employees in management positions		person	6
Percentage of employees signing a labor contract	Regular employees, contractors, and outsourced employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	%	100
Percentage of employees provided with social insurance		%	100

**New Hires**

Indicator	Scope	Unit	2025	
Total number	Regular employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	person	48	
By gender		Male	person	26
		Female	person	22
By age		Under 30	person	31
		30-39	person	12
		40-49	person	5
		50 and above	person	0
By geographic distribution		In the Chinese mainland	person	46
		Outside the Chinese mainland	person	2
By seniority level		Senior technicians	person	0
		Mid-level technicians	person	1
		Junior technicians	person	1
		Other	person	46

**Employee Turnover**

Indicator	Scope	Unit	2025	
Total turnover	Regular employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	%	2.65	
Voluntary turnover rate		%	2.88	
By gender		Male	%	2.54
		Female	%	2.97
By region		In the Chinese mainland	%	2.48
		Outside the Chinese mainland	%	8.51
By age		Under 30	%	5.56
		30-39	%	4.29
		40-49	%	0.92
		50 and above	%	2.03

**Notes:**

- Overall turnover rate = Number of employees who left / (Number of employees who left during the current period + Number of employees at the end of the period); Turnover rate by category = Number of employees who left in the category / (Number of employees who left in the category during the current period + Number of employees in the category at the end of the period)
- The overall turnover rate and turnover rates by category exclude retirees.
- Voluntary turnover includes resignations, retirements, and early retirements.



# Protecting Occupational Health and Safety

COSCO SHIPPING Development complies with the *Work Safety Law of the People's Republic of China*, the *Fire Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and other applicable national laws and regulations. We continuously improve our management system covering full-time employees, agency and outsourced workers, and suppliers. Through routine internal and external audits and targeted supervision and inspections, we ensure the effective implementation of relevant mechanisms. These measures strengthen occupational health and safety (OHS) management and support a safe and healthy working environment.

## I Governance

We place workplace safety at the core of our operations and have established a structured governance framework and management system. The Workplace Safety and Environmental Protection Committee serves as the highest body responsible for occupational health and safety management. It reviews and approves relevant strategies, policies, and objectives, and oversees implementation across all subordinate units. A top-down accountability system is in place. All units are required to sign the *Workplace Safety and Environmental Protection Responsibility Statement* at each level. Outsourced and dispatched personnel are subject to the same management standards as full-time employees.

To strengthen professional capacity, we organize certified safety training courses for safety management personnel, as well as specialized training on emergency management and fire safety. External experts are invited to deliver targeted training. Case-based warning education is also conducted to enhance capabilities in regulatory compliance, risk management, and emergency response.

The Committee convenes at least quarterly to review safety work plans and implementation progress, forming a closed-loop information flow from execution to decision-making.

Occupational health and safety risks and opportunities are integrated into strategic planning and major decision-making processes. Dedicated safety assessments are conducted for new business development, investment projects, and construction projects, including new construction, renovation, and expansion. Prior to strategic decisions and approval of major projects, comprehensive feasibility studies are conducted, encompassing health and safety impacts, risk and opportunity assessments, as well as regulatory compliance analyses, to support evidence-based decision-making.

In 2025, we revised the *Guidelines on Identifying and Managing Workplace Safety Hazards*, the *Measures for Workplace Safety Supervision*, and the *Emergency Response Plan for Workplace Safety and Environmental Protection*, and issued the *Safety Inspection Requirements*. Shanghai Universal headquarters and its six container factories formulated or revised a total of 228 occupational health and safety management policies and procedures.

As the container manufacturing arm of the Company, Shanghai Universal has established the *Workplace Safety Incident Reporting, Investigation, and Management Procedures*, specifying immediate reporting procedures for incidents at different severity levels. Shanghai Universal also implements a regular reporting mechanism. Each factory submits weekly and monthly reports on workplace safety, occupational health, and environmental protection to the Safety and Environmental Protection Department. Shanghai Universal consolidates this information into a monthly report submitted to COSCO SHIPPING Development, covering overall production safety performance and key progress.

In target setting and performance evaluation, Shanghai Universal incorporates key safety and environmental indicators into performance assessments at all levels. A "one-vote veto" mechanism for safety performance is implemented. In accordance with the *Safety Incentive and Penalty System*, rewards and penalties are applied, and safety performance is linked to the performance evaluation of the Board, management, and all employees. Shanghai Universal has implemented a dual prevention mechanism centered on the *Regulations on Workplace Safety Risk Management* and the *Guidelines for Identifying and Managing Workplace Safety Hazards*. It has established a closed-loop internal control and supervision system, providing systematic risk identification, assessment, control, and hazard rectification.

## Workplace Safety Management System

### Main Workplace Safety and Occupational Health and Safety Policies of COSCO SHIPPING Development and Its Subsidiaries

 <p>Rules and regulations on occupational health and safety</p>	<ul style="list-style-type: none"> <li><i>COSCO SHIPPING Development Measures for Workplace Safety Supervision</i></li> <li><i>COSCO SHIPPING Development Regulations on Workplace Safety and Environmental Protection Performance Evaluation</i></li> <li><i>COSCO SHIPPING Development Regulations on Workplace Safety Risk Management</i></li> <li><i>COSCO SHIPPING Development Emergency Response Plan for Workplace Safety and Environmental Protection</i></li> <li><i>COSCO SHIPPING Development Regulations on Management of Workplace Safety and Environmental Protection Responsibilities</i></li> <li><i>COSCO SHIPPING Development Guidelines for Identifying and Managing Workplace Safety Hazards</i></li> <li><i>COSCO SHIPPING Development Regulations on Accountability for Workplace Safety and Environmental Protection</i></li> <li><i>COSCO SHIPPING Development Regulations on Reporting, Statistical Analysis, and Investigation of Workplace Safety Incidents</i></li> <li><i>COSCO SHIPPING Development Regulations on Safety Education and Training</i></li> <li><i>COSCO SHIPPING Development Safety Inspection Requirements</i></li> <li><i>Occupational Health and Safety Accountability System</i></li> <li><i>Occupational Disease Prevention and Control</i></li> <li><i>Chemical Safety Management Regulations</i></li> <li><i>Fire Safety Management Regulations</i></li> <li><i>Management Rules on Flammable and Explosive Materials and Sites</i></li> <li><i>Workplace Safety Incident Reporting, Investigation, and Management Procedures</i></li> </ul>
 <p>Workplace safety regulations for outsourced workers</p>	<ul style="list-style-type: none"> <li><i>External Construction Team Safety Regulations</i></li> <li><i>Regulations on Workplace Safety-related Rewards and Penalties</i></li> <li><i>Contractor and Supplier Management Regulations</i></li> <li><i>Shanghai Universal Occupational Health Management Regulations</i></li> </ul>

## Certification and Audit of the Safety Management System

### Occupational Health and Safety Management System

Certification	Issued To	Scope	Issued By	Expiry Date
ISO 45001 Occupational health and safety management system	Shanghai Universal	Container design and after-sales service	CCSC	December 9, 2028
ISO 45001 Occupational health and safety management system	DFIC Guangzhou, DFIC Ningbo, DFIC Qidong, DFIC Lianyungang, DFIC Qingdao, and DFIC Jinzhou	Container design and after-sales service	CCSC	DFIC Guangzhou, DFIC Lianyungang, and DFIC Jinzhou: December 9, 2028 DFIC Qidong: September 17, 2026 DFIC Qingdao: August 27, 2026 DFIC Ningbo: August 17, 2026

### External Safety Audits

Name	Audited By	Auditee	Frequency	Audit Focus	Result
ISO 45001 Occupational health and safety management system annual audit	CCSC	Shanghai Universal's headquarters and six container factories	Annually	The operation of the occupational health and safety management system and the execution of risk controls within the company's business activities and processes	Compliant with the standard

### Internal Safety Audits

Name	Auditee	Frequency	Audit Focus	Result
ISO 45001 Occupational health and safety management system annual audit	Shanghai Universal's headquarters and six container factories	Annually	Compliance and effectiveness of an organization's occupational health and safety management system	The occupational health and safety management system is appropriately, thoroughly, effectively, and sustainably implemented at the headquarters and container factories.

## I Strategy

COSCO SHIPPING Development incorporates OHS-related impacts, risks, and opportunities into our strategy development and decision-making processes. We identify short-, medium- and long-term impacts, risks, and opportunities relating to workplace safety, occupational health, and employee safety, and conduct corresponding financial impact analyses.

Based on the results of these analyses, we have established a long-term goal to avoid at-fault safety accidents or environmental incidents with major or significant liability, prevent accidents or incidents with serious liability, and reduce those with minor or less liability. To support this goal, we have developed clear phased improvement plans and staged response strategies, with the aim of transforming safety risks into strategic opportunities to strengthen workplace safety capabilities. We continuously track and evaluate the effectiveness of relevant measures through indicators including the number of at-fault safety incidents, the lost-time injury frequency rate (LTIFR) per million working hours, and the average safety training hours per employee.

### Risks Related to Occupational Health and Safety

Category	Description	Financial Impact	Business Model and Value Chain Impact	Period	Response
Compliance	Policy and legal risks	Employee health and safety could be compromised, exposing the Company to legal risks and increased non-operating expenses.	Our operations	Short term Medium term Long term	Requiring employees to comply with the "Three Habits" and "Two Practices" Management Regulations and carrying out routine safety risk management.
Employee safety	Major accident risks	Employee health and safety could be compromised, leading to increased non-operating expenses.	Our operations	Short term Medium term Long term	Following the <i>Guidelines for Identifying and Managing Workplace Safety Hazards</i> to define related tasks and responsibilities, and ensure accountability. Organizing themed activities such as Workplace Safety Month and Fire Safety Month to enhance employees' safety awareness and capabilities through safety knowledge competitions and practical emergency drills.
Occupational health	Occupational disease risks	Employee health and safety could be compromised, leading to increased non-operating expenses.	Our operations	Short term Medium term Long term	Institutionalizing workplace wellness exercises to alleviate employee fatigue. Equipping employees with compliant and comfortable personal protective equipment in accordance with national standards; providing training and assessments on the proper use of protective equipment.
Equipment safety	Safety hazards posed by outdated equipment	Equipment may be damaged, resulting in increased costs.	Our operations	Short term Medium term Long term	Accelerating the elimination, renovation, and upgrading of old equipment and facilities, and conducting comprehensive inspections and targeted rectifications to prevent the use of malfunctioning equipment in accordance with the <i>Action Plan for Promoting Large-Scale Equipment Renewal and Trade-in of Consumer Goods</i> .
Fire safety	Fire safety risks	Employee safety and equipment integrity could be compromised, leading to increased non-operating expenses and costs.	Our operations	Short term Medium term Long term	Organizing themed activities such as Workplace Safety Month and Fire Safety Month to enhance employees' safety awareness and capabilities through safety knowledge competitions and practical emergency drills.

### Opportunities Related to Occupational Health and Safety

Category	Description	Financial Impact	Business Model and Value Chain Impact	Period	Response
Technical upgrade	Intelligent production	By replacing manual labor with machines, we can reduce costs associated with work-related injury compensation, treatment of occupational diseases, and recruitment and training arising from employee turnover.	Our operations	Short term Medium term Long term	Implementing automation and intelligent upgrades across factories; replacing manual labor with machines to ease employees' workload and reduce their exposure to occupational health hazards.

We regularly assess the adaptability and resilience of our business model and strategic planning in response to occupational health and safety risks, and review the robustness of our strategy. In 2025, our investment in workplace safety totaled RMB 106,894,200. The funds were used to upgrade and maintain key safety equipment, conduct company-wide safety training and emergency drills, upgrade intelligent technologies related to workplace safety, and carry out targeted remediation of major risk points.

### Occupational Health and Safety Management Measures

Shanghai Universal strengthens its safety management through systematic hazard identification and targeted rectification. In 2025, it launched a company-wide safety rectification campaign and comprehensively reviewed issues identified at all levels, ensuring closed-loop correction. Shanghai Universal enhanced its internal review mechanism and implemented remediation in key risk areas, including rail crossing operations, lifting operations, fire and explosion prevention, and special equipment management.

Shanghai Universal continues to improve the working environment and standardize equipment management. All special equipment operators are certified before assuming their posts. For occupational health protection, Shanghai Universal established an integrated mechanism comprising 24-hour on-site medical services, staggered production scheduling, and mandatory rest breaks during high-temperature periods. Ventilation, cooling, and rest facilities were fully equipped to ensure effective heat prevention and workplace environment management. As a result, summer health risks were effectively controlled. In response to extreme weather events such as typhoons, Shanghai Universal strictly implemented the Group's flood and typhoon prevention policies and deployed response measures in a systematic manner, achieving zero casualties and zero property losses.

### Safety Emergency Management

COSCO SHIPPING Development upholds the principles of "safety first, people-oriented, centralized leadership, hierarchical responsibility, proper standards, and coordinated response" in emergency management. We conduct scenario-based simulations and drills to strengthen emergency preparedness and response.



### Building a Safety and Health Culture

COSCO SHIPPING Development promotes occupational health and safety culture through themed and routine activities to enhance the safety awareness and emergency response capabilities of directly employed, dispatched, and outsourced personnel. In 2025, we organized the Workplace Safety Month campaign, encouraging employees to identify safety hazards in their surroundings. A total of 79 emergency drills were conducted, involving over 7,200 participants. In November 2025, we organized the Fire Safety Month campaign, focusing on the safe use of fire and electricity. During the campaign, 76 emergency drills were conducted, involving 9,357 participants.

Across its factories, Shanghai Universal organized knowledge competitions, skills contests, hazard inspections, and emergency drills tailored to operational conditions. Throughout the year, more than 300 emergency drills were conducted, involving over 23,000 participants. Shanghai Universal also invited professional medical institutions to provide on-site training on mechanical injury response, cardiopulmonary resuscitation (CPR), and heatstroke first aid, further reinforcing employee health and safety safeguards.



Fire Safety Month skills competition



Fire Safety Month kick-off training

## I Management of Impacts, Risks, and Opportunities

COSCO SHIPPING Development has integrated OHS management into our unified enterprise risk management system and established a structured process for risk identification, assessment, and control.

### Safety Risk Identification, Assessment, and Management Process



## I Indicators and Targets

We have established a long-term safety management objective. We are committed to safe and green development, working to prevent and mitigate major workplace safety and environmental risks. Our goal is to eliminate significant hazards, avoid at-fault safety accidents or environmental incidents with major or significant liability, prevent accidents or incidents with serious liability, and reduce those with minor or less liability.

We have also set a short-term safety management objective for 2025: to achieve zero at-fault safety incidents with major or significant liability and zero at-fault safety incidents with minor liability. We successfully achieved this objective in 2025.

### Key Performance Highlights

Indicator	Scope	Unit	2025
At-fault safety incidents	COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	/	0
Number of type-A employee deaths due to work-related causes	Regular employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	person	0
Ratio of work-related fatalities among type-A employees		%	0
Days lost to work-related injuries among type-A employees		day	76
Lost time injury frequency rate among type-A employees		Number of lost-time injuries per million working hours	0.86
Number of type-B employee (supplier employee) deaths due to work-related causes	Contractors and outsourced employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	person	0
Ratio of type-B employee (supplier employee) deaths due to work-related causes		%	0
Working days lost due to work accidents among type-B employees (supplier employees)		day	1,997.5
Lost time injury frequency rate among type-B employees (supplier employees)		Number of lost-time injuries per million working hours	0.77
Investment in workplace safety		RMB	107 million
Total workplace safety investment as a percentage of revenue	%	0.42	
Investment in work-related injury insurance for employees	Regular employees, contractors, and outsourced employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	RMB	10,712,300
Investment in workplace safety liability insurance for employees		RMB	93,800
Percentage of employees covered by work-related injury insurance		%	100
Percentage of employees covered by workplace safety liability insurance		%	8.40
Per capita safety training hours for type-A employees	Regular employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	hour/person	24.55
Per capita safety training hours for type-B employees	Contractors and outsourced employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	hour/person	49.71

**Note:** No work-related fatalities took place during the period from 2023 to 2025.

# Supporting Career Development

COSCO SHIPPING Development aligns talent development with the Company's strategic goals, aiming to optimize the workforce structure and nurture a wealth of high-caliber talent. We have issued policies including the *COSCO SHIPPING Development Measures for Position and Rank Management for Headquarters Employees (Trial)* and the *COSCO SHIPPING Development Education and Training System Development Plan (Trial)*. These policies establish a talent development system that is closely aligned with our strategy and business development.

In 2025, we further advanced our talent strategy. Through workforce planning, targeted recruitment, systematic training, and clear career development pathways, we enhanced workforce competitiveness and organizational vitality, supporting high-quality development and strategic transformation.

## Talent Pipeline Development



## New Manager Growth Camp Helps Build a Leadership Pipeline

Case

In 2025, COSCO SHIPPING Development implemented the New Manager Growth Camp, an online leadership development program. The program includes 25 specialized courses across four areas: leadership development, business thinking, innovation methods, and core professional skills. It aims to equip newly promoted managers with essential capabilities and build a talent pipeline aligned with the Company's strategic development needs.

## Targeted, Tiered Training Empowers Transformation

Case

In 2025, Shanghai Universal organized training programs focused on digital transformation and provided tailored courses for employees at different levels. Management staff attended digital leadership workshops; professional and technical personnel received low-code development certification training; and frontline employees participated in courses on AI tool applications. These initiatives ensure that talent capability development advances in step with the Company's digital transformation strategy.

## Employee Training Performance

Indicator		Scope	Unit	2025
Total investment in employee training		Regular employees at COSCO SHIPPING Development's headquarters and its subsidiaries in and outside the Chinese mainland	RMB	7,243,000
Investment per employee			RMB	4,379.08
Total number of training participants			/	21,074
Average training hours per trained employee			hour	99.34
Total number of employees who received training			person	1,654
Proportion of trained employees			%	100
Trained employees by gender	Male		%	74.43
	Female		%	25.57
Trained employees by position rank	Senior management		%	0.73
	Middle management		%	3.08
	Other	%	96.19	
Average training hours by gender	Male	hour	98.52	
	Female	hour	101.75	
Average training hours by position rank	Senior management	hour	217.63	
	Middle management	hour	135.16	
	Other	hour	97.30	
Average training hours by age	Under 30	hour	151.01	
	30-39	hour	108.57	
	40-49	hour	87.46	
	50 and above	hour	86.77	

# Fostering a Positive Workplace

COSCO SHIPPING Development is committed to fostering a harmonious and supportive workplace. We promote work-life balance and continuously enhance employees' sense of belonging and well-being.

## I Cultural and Sporting Activities

COSCO SHIPPING Development has organized a variety of cultural and sporting activities to strengthen employees' sense of fulfillment, well-being, and belonging.



COSCO SHIPPING Development participates in the COSCO SHIPPING Group 2025 Employee Football Tournament.



Employees are making mother-of-pearl inlay handicrafts with an intangible cultural heritage theme.



An offline reading club of COSCO SHIPPING Development

## I Physical and Mental Well-being of Employees

We place strong emphasis on employees' physical and mental well-being and provide diversified support programs. We organized employee recuperation programs. The trade unions of the SL Division and Florens held health therapy sessions, wellness qigong classes, and occupational health lectures to improve the health awareness and physical and mental well-being of employees.

The trade union of DFIC Qingdao established a physical and psychological health support framework. Based on the "MindCare" mental health support station, it organized themed training sessions and launched a "Morning Poetry Therapy" program. DFIC Ningbo, DFIC Qingdao, and DFIC Qidong continued their summer heat relief initiative, distributing heat-relief beverages, medicines, and other supplies to frontline employees.

## I Support for Employees in Need

We have established a comprehensive assistance mechanism for employees in financial hardship and continue to improve the employee social security system to address their practical and urgent needs. In 2025, we established a dynamic database of employees in need and achieved full coverage under the Shanghai Employee Mutual Aid Protection Program and trade union member insurance.

### Honors and Awards

In 2025, Florens was recognized as a Mental Health Friendly Organization and a Harmony Workplace Organization.



Mental Health Friendly Organization Certification



Harmony Workplace Organization Certificate

### Key Performance Highlights


#### In 2025

- We visited **49** employees facing difficulties.
- We extended support to **62** employees in need.
- A total relief fund of RMB **293,200** was allocated to employees in need.
- Support was extended to **45** employees for weddings or childbirth.
- We supported **71** employees facing illness.

## Contributing to Rural Revitalization

COSCO SHIPPING Development fulfills our role as a central SOE by supporting rural revitalization. In 2025, we revised the *COSCO SHIPPING Development Regulations on External Donation* to strengthen the management of donation projects across subsidiaries. The policy establishes a framework with clearly defined responsibilities, standardized procedures, and effective oversight. Under this framework, we leverage our container business strengths to address local needs. In supporting economic and social development and improving livelihoods in Luolong County, Xizang, we also explore new application scenarios and cooperation opportunities.

### Modular Container Buildings Improve Education and Public Services in High-Altitude Areas

Case 

COSCO SHIPPING Development continues to carry out targeted assistance programs in Luolong County, Xizang, leveraging our industrial strengths to support the development of local education and public services. We converted standardized containers into public facilities for plateau regions and promoted the implementation of related projects.

In late autumn 2024, 30 modular containers departed from DFIC Jinzhou and traveled more than 4,000 kilometers to Xizang via National Highway G349. Delivered to the First Primary School in Lajiu Township, Luolong County, Changdu, Xizang, at an altitude of 4,046 meters, the containers were assembled into a cafeteria, significantly improving dining conditions for more than 400 teachers and students who had long relied on open-air dining.

Building on the success of earlier projects, the related assistance initiatives continued. In July 2025, another shipment of 16 housing containers arrived in the region. Among them, 12 containers were used to build a staff facility at Yuxi Township Primary School, integrating dining, storage, and cultural functions and improving the working and living conditions of teachers and staff. The remaining four containers were used to construct a cultural and tourism service station along National Highway G349 to provide basic services for travelers. These containers carry not only our industrial capabilities but also our enduring responsibility and care.

We also actively participated in consumption-based assistance programs to expand sales channels for specialty agricultural products from designated assistance regions and support rural revitalization.

#### Key Performance Highlights

##### In 2025

- The amount contributed to the COSCO SHIPPING Charity Foundation by the company was RMB
- The amount spent on purchasing specialty agricultural products from designated assistance regions was RMB

**25** million.

**2,644,000**.

## Supporting Public Welfare to Build a Better Future

COSCO SHIPPING Development promotes harmonious coexistence and shared development with the communities where we operate. We encourage and organize employees to participate in a variety of public welfare initiatives, contributing to a harmonious social environment.



Young volunteers from the SL Division participated in the "Building Dreams Together, Warming Young Hearts" community charity initiative organized by the Lujiazui Subdistrict, exchanging gifts with underprivileged youth and creating traditional sugar paintings together to share care and encouragement.

DFIC Qidong and DFIC Qingdao visited local nursing homes during the Double Ninth Festival to extend holiday greetings to elderly residents.

We organized the "Bringing Love Together, Warming Young Hearts - Cultural Market and Charity Sale" event, raising more than RMB 11,000 to support education in Xizang.

#### Key Performance Highlights

##### In 2025

- Our employees donated their time to volunteer services, totaling **5,012.5** hours.
- The number of employee participants in volunteer activities exceeded **600**.

# Outlook 2026

## Sustainability vision: Integrating sustainability into our strategic vision for sustainable industry chain development.

Adopting a global perspective and proactive approach, we will make strategic decisions for long-term development. We will fully exploit the synergy of the integrated "leasing-manufacturing-shipping" industry chain. Internally, we will strengthen the collaborative framework and strategy that integrates production, financing, and investment, while externally, we will actively seek out new market opportunities. By collaborating with partners across the shipping industry chain, we strive to promote the sustainable development of the maritime logistics industry.

## Sustainability management: Integrating sustainability into corporate management to enhance sustainability.

We will closely monitor industry trends and sustainability momentum, continuously identifying and addressing key CSR topics, including corporate governance, risk management, response to climate change, environmental protection, safety management, employee rights and benefits, and community development. By enhancing our policies and management mechanisms, we aim to develop a robust sustainability management system.

## Sustainable practices: Integrating sustainability into corporate operations to create value for all stakeholders.

We will fully consider the expectations and needs of all stakeholders, and continue to improve our business models to remain relevant in today's ever-changing landscape. By solidifying the integration of industry and finance, we aim to leverage our technology, capital, and industry resources to beef up our ESG efforts and create more value for our stakeholders.

## Sustainability-minded teams: Raising employees' sustainability awareness to jointly foster a sustainable future for all.

By building a strong culture of responsibility through solid CSR practices, we aim to enhance employees' CSR awareness and competence, encourage them to pursue excellence, and promote shared value and a shared mission to jointly contribute to the realization of SDGs.

# Indicator Index

Report Framework		Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)
Heading	Subheading		
About This Report	/	Mandatory disclosure of reporting principles; mandatory disclosure of reporting scope	/
Message from the Chairman	/	/	/
About Us	/	/	/
Honors and Awards	/	/	/
Strengthening Governance to Anchor Resilient Growth	Corporate Governance	/	/
	Risk Management	/	/
	Business Ethics	B7 General disclosure; B7.1; B7.2; B7.3	Anti-commercial bribery and anti-corruption; anti-unfair competition
	Supply Chain Management	B5 General disclosure; B5.1; B5.2; B5.3; B5.4	Supply chain security; fair treatment of SMEs; due diligence
Delivering Responsible Value Through Commitment	Board Statement	Mandatory disclosure of governance structure	/
	Sustainability Management Structure	Mandatory disclosure of governance structure	/
	Sustainability Philosophy and Commitment	/	/
	Sustainability Due Diligence	/	Due diligence
	Stakeholder communication	/	Stakeholder communication
	Double-Materiality Analysis	/	/
	Optimizing Asset Allocation and Strengthening Industry-Finance Synergy	/	/
Driving Innovation to Strengthen Core Competitiveness	Focusing on Core Technologies to Drive Industry Upgrading	B6.3	Innovation-driven development
	Delivering Quality and Customer Value	B6 General disclosure; B6.1; B6.2; B6.4; B6.5	Safety and quality of products and services
	Upholding Information Security and Privacy	/	Data security and customer privacy protection

Report Framework		Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)
Heading	Subheading		
Advancing Low-Carbon Transition to Unlock Green Industry Synergies	Strengthening Environmental Management	A1 General disclosure; A1.5; A2 General disclosure; A2.4; A3 General disclosure; A3.1	Pollutant discharge; waste management; ecosystem and biodiversity conservation; environmental compliance management; utilization of water resources
	Addressing Climate Change	A1.1; A1.3; A1.4; A1.5; A1.6; A2 General disclosure; A2.1; A2.2; A2.3; A2.4; Climate-related disclosures of governance, strategy, risk management, and indicators and targets	Response to climate change; pollutant discharge; waste management; energy utilization; utilization of water resources; circular economy
Putting People First to Consolidate the Foundation for Sustainable Development	Protecting Employee Rights and Promoting Diversity & Inclusion	B1 General disclosure; B1.1; B1.2; B4 General disclosure; B4.1; B4.2	Employees
	Protecting Occupational Health and Safety	B2 General disclosure; B2.1; B2.2; B2.3	Employees
	Supporting Career Development	B3 General disclosure; B3.1; B3.2	Employees
	Fostering a Positive Workplace	B1 General disclosure	Employees
	Contributing to Rural Revitalization	B8 General disclosure; B8.1; B8.2	Rural revitalization
	Supporting Public Welfare to Build a Better Future	B8.1; B8.2	Social contribution
	Outlook 2026	/	/
Indicator Index	/	/	
Assurance Statement	/	/	
Reader Feedback	/	/	

# Assurance Statement

TUVNORD

Assurance statement No.CN-202603-CSR-07

---

Assurance Statement

TÜV NORD (Hangzhou) Co., Ltd. (hereinafter referred to as "TNHZ") was entrusted by COSCO SHIPPING Development Co., Ltd. (hereinafter referred to as "COSCO SHIPPING Development" or "the Company") to conduct an independent third-party assurance of COSCO SHIPPING Development's 2025 Sustainability Report (abbreviated as "the Report").

COSCO SHIPPING Development is responsible for collecting, analyzing, summarizing, and disclosing the information mentioned in the Report. TNHZ carried out this work (Report Assurance) within the scope of authority recognized in the agreement with COSCO SHIPPING Development. COSCO SHIPPING Development is the designated user of this statement.

This statement is based on COSCO SHIPPING Development's 2025 Sustainability Report, and COSCO SHIPPING Development is responsible for the integrity and authenticity of the information and data in the Report.

**User of Assurance Statement**

This Assurance Statement is provided to all stakeholders of COSCO SHIPPING Development.

**Assurance Scope**

- Key sustainability performance and related information disclosed in the Report for the fiscal year 2025.
- Assurance location: Building 1, Lane 1318, Shangcheng Road, Pudong New Area, Shanghai, China, the headquarters location of COSCO SHIPPING Development.
- Evaluate the management processes such as collection, analysis, and assurance of the data and information involved in the report.
- The verification location for this engagement is limited to the headquarters of COSCO SHIPPING Development Co., Ltd., and no on-site verification was conducted at all of its subsidiaries and branch offices.

The on-site assurance was conducted from March 5<sup>th</sup> to March 6<sup>th</sup>, 2026.

**Assurance Limitations**

- The financial data in this Report is derived from the Company's Annual Report, which has been independently audited by another third party. This assurance does not include re-verifying this data.
- This verification only performed sampling verification on the greenhouse gas emission data sources and did not conduct a comprehensive verification of greenhouse gas emissions.
- This verification only sampled some of the original evidence for performance data and did not conduct a comprehensive verification of all data original evidence.
- The verification location is limited to the headquarters of COSCO SHIPPING Development, and no on-site verification of all its branch offices has been conducted.

**Assurance Method**

The assurance process includes the following activities:

- Evaluate the documentary information provided by COSCO SHIPPING Development.
- View the data collection platform of COSCO SHIPPING Development.
- Interview the management of relevant departments of COSCO SHIPPING Development and the person who collected information.
- Check the public information released on relevant websites and by the media, and verify the relevant data and information in the Report through sampling.

**Assurance Guidelines**

- Appendix C2 "Environmental, Social and Governance Reporting Code" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange—Sustainability Report (for Trial Implementation).
- TNHZ Report Assurance Implementation Rules SC-P-A015 Rev.00.

**Assurance Standard and Level**

AccountAbility "AA1000 Assurance Standard" (V3): Type 2, Moderate Level of Assurance.

**Assurance Conclusion**

TUVNORD

Assurance statement No.CN-202603-CSR-07

---

The 2025 Sustainability Report prepared by COSCO SHIPPING Development objectively reflects the Company's progress and performance in environmental, social, and governance aspects during 2025. The data presented in the report is reliable and objective, and TNHZ found no systematic or material errors.

- **Inclusivity:** The company has identified nine major categories of stakeholder groups, including customers, investors, employees, and suppliers. Through diverse channels such as shareholders' meetings, official correspondence, employee representative conferences, and industry forums, it promptly responds to their concerns and expectations and integrates them into the company's business activities.
- **Materiality:** The company's sustainability working group, taking into account internal opinions and external stakeholder communications, identified topics based on the double materiality principle of "impact materiality" and "financial materiality." As a result, it identified three double materiality topics—"Innovation-driven development", "Occupational health and safety", and "Response to climate change"—along with 14 material topics, including "Responsible supply chains", "Pollutant and waste management", and "Anti-commercial bribery and anti-corruption", and developed a materiality matrix.
- **Responsiveness:** The Report comprehensively responds to the company's efforts in the environmental, social, and governance areas during the reporting period through five chapters, including "Strengthening Governance to Anchor Resilient Growth" and "Advancing Low-Carbon Transition to Unlock Green Industry Synergies".
- **Impact:** The company systematically identifies the various impacts of its activities, products, or services on stakeholders, society, and the environment. The identified impacts should be incorporated into stakeholder engagement and periodic materiality assessment processes, and used to inform organizational governance, strategy, target setting, and operations, thereby making decision-making more informed and responsive.

**Suggestions for Improvement**

Through the assurance and evaluation activities, we have put forward relevant suggestions for improvement regarding COSCO SHIPPING Development's practices and management in sustainable development, all of which have been stated in the "Assurance Report" and submitted to COSCO SHIPPING Development's management for their reference in continuous improvement.

**Special Statement**

Excluded in this assurance statement:

- Activities other than information disclosure.
- Statements regarding the standpoint, viewpoints, beliefs, goals, future development directions, and commitments of COSCO SHIPPING Development.

**Statement of Independence and Competence**

TÜV NORD is a world-leading certification body with branches in more than 100 countries around the world. It provides inspection, testing and verification services, including management system and product certification; audits and training in the aspects of quality, environment, society and compliance; assurance of environmental, social responsibility and sustainability reports.

As TÜV NORD's independent member organization in China, TNHZ ensures that there is no conflict of interest with COSCO SHIPPING Development, its branches, or its stakeholders in carrying out this assurance process for the sustainability report. The assurance team is composed of experts with extensive experience and professional technical competence, conducting the assurance activities in accordance with TNHZ's internal procedure documents and global compliance policy requirements. All information in this report was provided by COSCO SHIPPING Development and TNHZ did not participate in the report preparation process.

Signature  
On Behalf of TÜV NORD (Hangzhou) Co., Ltd.

Jack Yeh:  
Sustainable Development Authorized Signatory/Executive Director and  
CEO of TÜV NORD Greater China  
Date: March 23<sup>rd</sup>, 2026 Shanghai

**AA1000**  
Licensed Report  
000-794/V3-956L1

Note: In case of conflict between the Chinese and English versions of this statement, please refer to the Chinese version.

98

## Reader Feedback

We genuinely appreciate your feedback and invite you to share your thoughts and suggestions on COSCO SHIPPING Development's Sustainability Report. Your insights will guide our ongoing improvement in sustainable development management and implementation. Kindly complete and detach the form provided below, and return it to us by mail or fax. We thank you for your valuable input!

Your contact information:

Name: \_\_\_\_\_ Organization: \_\_\_\_\_ Tel.: \_\_\_\_\_ E-mail: \_\_\_\_\_

1. How would you rate COSCO SHIPPING Development's sustainable development practices?

Excellent  Good  Fair  Poor

2. What is your general opinion about this report?

Excellent  Good  Fair  Poor

3. How effectively does COSCO SHIPPING Development communicate with stakeholders?

Excellent  Good  Fair  Poor

4. How do you rate COSCO SHIPPING Development's corporate management practices?

Excellent  Good  Fair  Poor

5. How do you rate COSCO SHIPPING Development's practices in strengthening industry-finance collaboration?

Excellent  Good  Fair  Poor

6. How well do you think COSCO SHIPPING Development contributes to societal well-being?

Excellent  Good  Fair  Poor

7. How do you rate COSCO SHIPPING Development's practices in addressing climate change?

Excellent  Good  Fair  Poor

8. How do you rate COSCO SHIPPING Development's performance in building a strong team?

Excellent  Good  Fair  Poor

9. Are the content and layout design of this report user-friendly?

Yes  No

10. Are there any subjects or information you were hoping to find in this report but did not?

11. Please share any feedback or suggestions you might have regarding COSCO SHIPPING Development's sustainable development practices or the contents of this report.



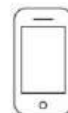
Tel.: +86-21-65966666

Official website: <https://development.coscoshipping.com/>

Address: Building 1, Lane 1318, Shangcheng Road, Pudong  
New Area, Shanghai, China



Official account



Scan the QR  
code for more!