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INTRODUCTION

Sustainable development has become a global consensus while the world is undergoing profound changes. Environmental, Social and Governance (ESG) principles are not only a philosophy, but also a critical benchmark for measuring a company's comprehensive value and responsibility. The British government has specific requirements for companies with climate-sensitive assets regarding ESG compliance and reporting obligations, which also extend to their business partners. Meanwhile, an increasing number of companies are voluntarily committing to ESG reporting.

Against this backdrop, COSCO SHIPPING (UK) Company Limited (hereinafter referred to as "COSCO SHIPPING UK") actively implements its ESG strategy, embedding sustainable development into its corporate DNA. The company is committed to achieving a balance among economic performance, environmental protection, social responsibility and corporate governance, while continuously exploring ESG pathways that reflect the characteristics of the industry and local practices.

COSCO SHIPPING UK is a key subsidiary of COSCO SHIPPING (Europe) GmbH (hereinafter referred to as "CO-SCO SHIPPING Europe") and serves as the primary operational and management entity of the COSCO SHIPPING Group in the UK. Its main businesses in the UK include shipowning under the British flag with full in house management, ship and cargo agency services, tanker business, dry bulk shipping, end-to-end digital supply chain services and container transport service. In recent years, COSCO SHIPPING UK has demonstrated a robust, diverse, distinctive and promising development trajectory. Under the steadfast leadership of the HQ and COSCO SHIPPING Europe, COSCO SHIPPING UK has consistently adhered to responsible operations, deeply integrating ESG principles into its corporate strategy and daily operations. Closely aligned with the key ESG priorities of COSCO SHIPPING (Europe) GmbH, COSCO SHIPPING UK drives innovation, ensures compliance and promotes collaboration to address ESG challenges and comprehensively enhances its ESG governance.

In terms of Environment (E), we focus on green operations and low-carbon transformation. From the development of green smart warehouse with a BREEAM rating of "Outstanding" and the full use of electric forklifts and photovoltaic power generation, to optimising the energy efficiency of its fleet and participating in the research and development of hydrogen and electric trucks, the company is taking concrete measures to reduce its carbon footprint and contribute to the green transition of the shipping and logistics industry.

In terms of Social (S), we prioritise a people-centred approach and mutually beneficial cooperation. Through a deeply localised human resources strategy, we have built a professional, cross-culturally integrated team, with Chinese and international employees working collaboratively to fulfil four key functions: implementing group strategy, serving as exemplary role models, delivering professional and specialised services, and embracing a strong corporate culture. This approach has enabled the creation of a stable, loyal and efficient talent pipeline. COSCO SHIPPING UK actively supports local initiatives in culture, sports and charitable causes, promoting economic and cultural exchange between China, the UK and the global community, while meaningfully giving back to society through its development

In terms of Governance (G), we continuously refine our modern corporate system, emphasising compliance, transparency and digital transformation. From early obtaining of ISO9002 certification and establishing the "Three Stricts and One Diligent" system, to achieving comprehensive Authorised Economic Operator (AEO) and Fleet Operator Recognition Scheme (FORS) certifications, and advancing system integration and smart supply chain development, we consistently strengthen our management foundation and risk resilience, providing a solid foundation for sustainable development.

Looking to the future, the company will continue to uphold the principles of sustainable development, deepen the integration of ESG into its strategy and operations, and collaborate with all stakeholders to drive the shipping and logistics industry towards a greener, more inclusive, and more efficient future. Through its maritime strength, the company is committed to contributing to the building of a shared future for humankind.

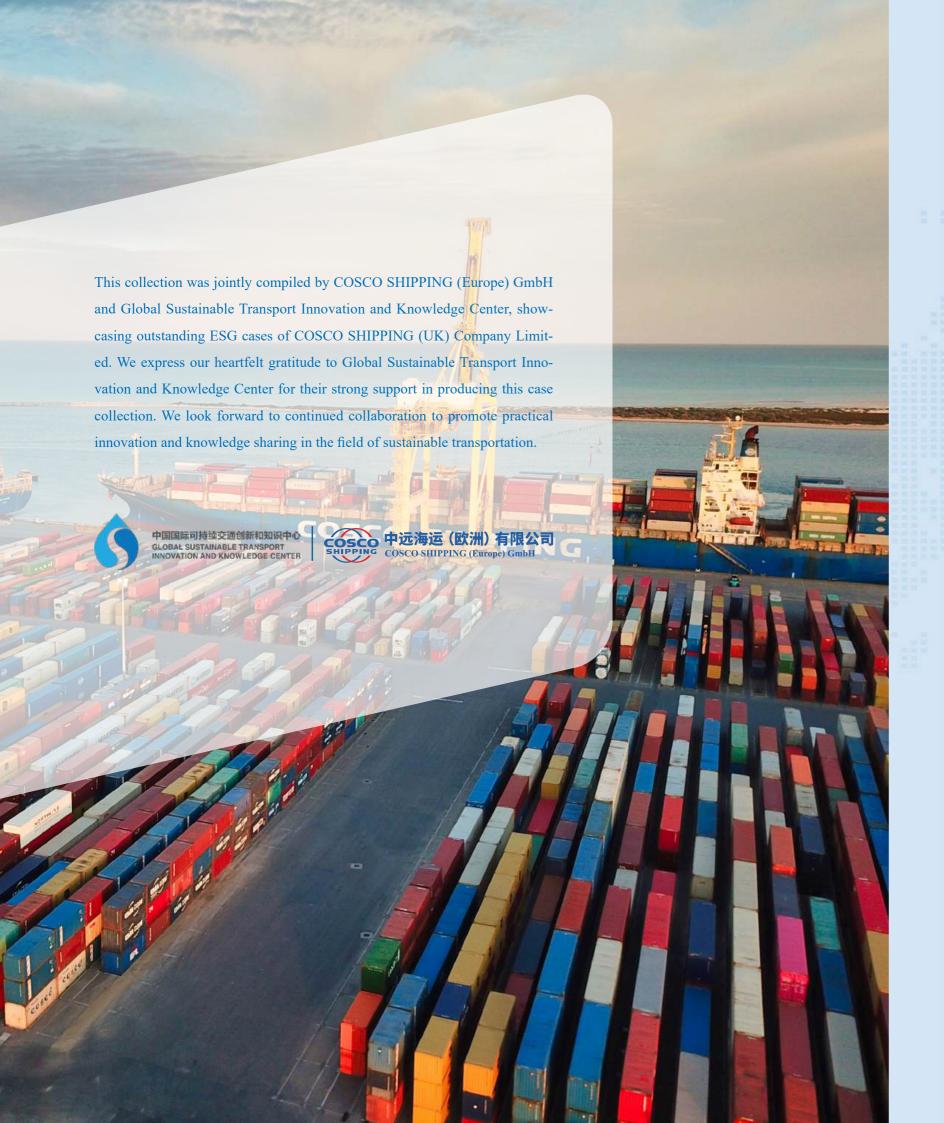


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AWARDS AND CREDENTIALS

























Green Foundation, Smart-Driven: Flagship Green Intelligent Warehouse Achieves 40% Carbon Reduction



I. Philosophy

We actively implement the philosophy of sustainable development, focusing on the core ESG theme of "adaption to climate change", striving for green progress and comprehensively enhancing the green character of our projects.



II. Overview

To address climate change, COSCO SHIPPING Crystal Logistics (UK) Company Limited (hereinafter referred to as "Crystal Logistics UK") has invested in an 11,000sqm green smart warehouse in the London Gateway Freeport Zone. By adopting photovoltaic power generation, electric forklifts and smart systems, the project has achieved a 40% reduction in operational carbon emissions and received a BREEAM rating of "Outstanding", effectively promoting a green, low-carbon and digitally intelligent integrated logistics supply chain.



III. Key Initiatives

- Green Construction: The project incorporates environmental principles from the planning stage, prioritising designs and construction aligned with green concepts.
- Green Energy: The warehouse is equipped with a photovoltaic power generation system to reduce reliance on traditional energy sources.
- Low-Carbon Equipment: Electric forklifts replace traditional diesel equipment, reducing carbon emissions and air pollution.
- Waste Management: Waste handling processes are optimised to minimise environmental impact.
- Smart Warehousing: Automated systems are deployed to enhance operational efficiency and supply chain visibility.









Driving Green Transport: Energy-Efficient Container Trucking Fleet in Action



I. Philosophy

We actively embrace the philosophy of sustainable development, focusing on the core ESG theme of climate change mitigation. By exploring green transportation models, we promote the wide-spread adoption of new low-carbon logistics models and practices.



II. Overview

Multimodal Logistics Limited (hereinafter referred to as "MML") has comprehensively advanced the green and low-carbon transformation of its fleets, achieving an improvement in energy efficiency of approximately 8% and an effective reduction in carbon emissions. Over 40% of the company's vehicles have received Fleet Operator Recognition Scheme (FORS) Silver accreditation, surpassing the industry average. Additionally, MML actively participates in the UK Clean Energy Research Consortium, focusing on the latest developments in electric, hydrogen and hybrid trucks, continuously leading sustainable development in the trucking sector.



III. Key Initiatives

- Utilising the most energy-efficient diesel trucks currently available on the market to reduce fuel consumption and emissions.
- Conducting Fleet Operator Recognition Scheme (FORS) audits annually to strengthen safety and environmental management.
- Partnering with UK universities and research institutions to stay at the forefront of green technology advancements, so as to prepare for future transitions to sustainable technologies.









Efficiency Upgrade: COSCO SHIPPING UK's Ageing Fleet Delivers Emission Reductions



I. Philosophy

We actively implement the philosophy of sustainable development, focusing on the key ESG environmental theme of air pollution control and governance. By proactively undertaking comprehensive energy efficiency and emission reduction initiatives for aging vessels, we contribute to reducing carbon emissions for the main shipping fleet.



II. Overview

COSCO SHIPPING UK has implemented comprehensive measures to optimise the carbon foot-print of seven aging container ships, significantly improving energy efficiency and emission reduction levels. Overall energy efficiency improved by 8.2% in 2023, 11.2% in 2024 and 10.2% in 2025 (relative to 2021), setting an industry benchmark for low-carbon operations of high-age vessels.



III. Key Initiatives

- Technical Upgrades to Main Engine Turbochargers: Enhancing combustion efficiency under low-load conditions to achieve energy savings and emission reductions.
- Main Engine Power Limitation Plan: Controlling fuel injection volume to meet the IMO's Existing Ship Energy Efficiency Index requirements, effectively reducing emissions.
- Take the expertise of ENERVA MARINE to enable real-time monitoring, analysis and prediction of the vessels' Carbon Intensity Indicator, ensuring compliance with EU MRV and UK MRV regulations while implementing corrective measures to reduce carbon emissions.
- Promote refined management on ship operations, improve ship's overall energy efficiency through comprehensive measures such as maintenance, voyage optimisation, weather routing, ballast optimisation, propeller polishing and hull cleaning etc.











Deep Local Engagement: Bridging Chinese and British Cultures **Through Distinctive Business Strategies**



I. Philosophy

We adhere to the philosophy of balancing righteousness and profit, focusing on the key ESG issue of supporting local economic, social and cultural interests. We actively serve local communities, building a shared interest community with them.



II. Overview

Crystal Logistics UK consistently upholds the principle of "global vision + local operations", delivering diversified services that support the UK's local economy and promote cultural exchange between China and the UK.



III. Key Initiatives

- Empowering Local Economy and Major Projects: As a leading player in the UK's construction materials logistics sector, the company has actively participated in landmark projects such as the Tottenham Hotspur Stadium and Google's London headquarters, supporting local infrastructure development and economic vitality.
- Building a Bridge for Chinese-British Cultural Exchange: Successfully supported many Chinese superstars with their concerts in the UK, facilitating Chinese-British cultural exchanges, building cultural bridges and enhancing the social impact of cultural events.
- Supporting International Trade and SME Growth: Actively developing cross-border e-commerce logistics, providing Chinese enterprises with one-stop services, effectively promoting mutually beneficial economic and trade cooperation between China and the UK.







Long-Term Community Engagement: Supporting Youth and **Co-Creating a Harmonious Future**



We uphold a people-centred development philosophy, focusing on the key ESG issue of protecting and safeguarding the rights and interests of local residents. Through charitable initiatives, we serve community development, contributing to a harmonious and promising future.



Crystal Logistics UK proactively fulfils its social responsibilities, committing long-term to local community welfare. By regularly sponsoring charitable organisations and youth football events, the company promotes grassroots sports development and community integration, establishing a mechanism of mutual trust and cooperation with the community. This sustained commitment has earned widespread local recognition, effectively enhancing the company's social image.



- Sponsoring Community Charities and Youth Sports: Regularly supporting local charitable organisations and youth football events to promote grassroots sports development and community inte-
- Sustaining Local Welfare Projects: Through long-term, stable investments in public welfare, enhancing the company's social influence and supporting community harmony and youth develop-
- Building Community Trust and Cooperation Mechanisms: Establishing sustainable interaction models to strengthen ties between the company and the community, elevating its social responsibility image.







Cross-Border Solidarity: Pandemic Response Demonstrates Global **Corporate Social Responsibility**



I. Philosophy

We uphold the principle of putting the people and their lives first, focusing on the key ESG issue of community health and safety. During the COVID-19 pandemic, we actively contributed to the fight against the virus, safeguarding public health and safety.



II. Overview

During the pandemic, COSCO SHIPPING UK actively engaged in combating the epidemic by facilitating cross-border anti-pandemic donations, significantly supporting local public health efforts. This initiative demonstrated exceptional global collaboration and crisis response capabilities, earning the company the Group's award for "Excellence in Pandemic Response". It greatly enhanced the company's social image and international credibility.



III. Key Initiatives

- Conducting Cross-Border Collaborative Donations: Swiftly established a cooperation mechanism with JD.com and the China Chamber of Commerce in the UK, efficiently coordinating logistics resources to deliver urgently needed protective supplies to China and the UK.
- · Overcoming Logistics Challenges to Ensure Delivery: Leveraging professional supply chain expertise to address international logistics and customs clearance challenges, ensuring timely delivery of supplies to designated institutions.
- Strengthening Community Trust and Brand Responsibility Image: The donation efforts received high recognition from both Chinese and British societies, earning the company the Group's award for "Excellence in Pandemic Response".







International Engagement: Promoting Brand and Advancing Sustainable Industry Development



We actively fulfil our social responsibilities, focusing on the key ESG issue of building a green supply chain and value chain. By expanding international trade cooperation, we promote sustainable development within the industry.



COSCO SHIPPING UK actively participates in international shipping and trade exchange activities. Through high-level forums, strategic partnerships and industry advocacy, the company advances sustainability issues in the shipping and logistics sectors, demonstrating its commitment to global governance and enhancing its industry influence.



- · Leading International Industry Dialogue to Foster Sustainability Consensus: Actively participating in global shipping governance through high-level forums, strategic collaborations and industry initiatives.
- Supporting Global Governance Platforms to Enhance Chinese Shipping's International Influence: Facilitating the establishment of the London representative office of the China Shipowners' Association, promoting the integration of Chinese solutions with international standards.
- Deepening Strategic Cooperation to Promote China-UK Trade and Regional Collaboration: Signing cooperation agreements with multiple international organisations to effectively foster China-UK trade and sustainable industry development, enhancing the international and community influence of Chinese shipping.





Strengthening Talent: Building a High-Quality, Loyal Workforce



I. Philosophy

COSCO SHIPPING UK prioritises talent development, focusing on the key ESG issue of company employees. The company is committed to nurturing industry talent, enabling employees to fully realise their potential while growing alongside the organisation.



II. Overview

COSCO SHIPPING UK adheres to a deeply rooted localisation strategy in human resources. By leveraging the strengths of both Chinese and international employees, the company systematically cultivates local talent and establishes fair performance incentives and promotion mechanisms. This has significantly enhanced employee loyalty and engagement, forming a stable and efficient supply chain talent pipeline. The company creates job opportunities for the local community and promotes career development, achieving mutual growth for both the organisation and its employees.



III. Key Initiatives

- Deepening Localised Recruitment and Talent Development: Committing to hiring locals to build a professional talent pipeline, creating stable employment opportunities for the community.
- Strengthening Cross-Cultural Integration and Mutual Empowerment: Harnessing the synergy of Chinese and international employees to enhance organisational cohesion.
- Establishing Fair Incentive and Promotion Mechanisms for Young Talent: Implementing performance evaluation and incentive systems, while providing opportunities for core talent development through major projects and directorship roles.
- Focusing on Employee Care and Career Growth: Fostering a high-loyalty, high-engagement organisational culture to achieve sustainable development for both employees and the company.

















Smart Fleet Management: Achievements in Intelligent Container Trucks Operations



I. Philosophy

We are committed to innovation, focusing on the key ESG issue of supply chain management and striving to build a global digital supply chain system to promote stable and efficient business operations.



II. Overview

Crystal Logistics UK is actively developing new digital and smart pathways and has successfully implemented the Azyra system to achieve real-time digital inventory management, providing customers with integrated freight and customs clearance operation interfaces. This system enables remote self-management for customers, strengthens supply chain collaboration and data visibility and effectively improves service quality and governance modernisation, laying a solid foundation for green and efficient logistics.



III. Key Initiatives

- Deploy and upgrade the Azyra intelligent management system: Achieve real-time digital control
 of inventory and traceable inbound and outbound processes, significantly improving supply chain
 transparency.
- Promote system integration and platform unification: Complete seamless connection between Azyra and the Group's ECP systems, enhancing cross-process collaboration and data decision-making capabilities.
- Build a customer self-management cloud platform: Support customer self-operation, improve customer participation and satisfaction and embody the customer-centric governance concept.
- Strengthen data-driven and governance modernisation: Improve operational efficiency and service reliability through full-process digitisation and system interconnection.











I. Philosophy

We uphold intelligent leadership, focus on the key issue of ESG digital governance, develop intelligent fleet management system construction and accelerate the pace of digital transformation.



II. Overview

MML is actively developing intelligent fleet management system construction. Through digital means, operational efficiency, customer response speed, work performance management and data reliability have been greatly improved, setting a new benchmark for digital governance in the industry.



III. Key Initiatives

- Deploy a full-process visual monitoring system: All vehicles are equipped with real-time geographic tracking and video recording systems to achieve visual and remotely traceable transportation processes.
- Promote digital management of delivery and acceptance: Equipped with PDA and multi-screen information systems to accurately guide delivery and digitally manage the entire acceptance process.
- Establish an efficient customer response mechanism: Proof of Delivery information is received and transmitted back in a timely manner, greatly improving customer communication and response speed
- Strengthen data-driven decision-making and accountability: Integrate operational data, improve fleet dispatch, energy consumption management and risk control to a refined level.





ESG Highlights 2025: Outstanding Cases from COSCO SHIPPING UK 14



Resilient Supply Chains: Addressing Risk Through Strategic Strengthening



Governance Excellence: Enhancing Management System for Sustainable Growth



I. Philosophy

We are committed to ensuring supply chain security and stability, focusing on key ESG supply chain resilience issues and striving to enhance supply chain resilience to promote supply chain safety, stability and sustainable development.



II. Overview

Faced with the impact of logistics efficiency during the COVID-19 pandemic and Brexit policies, Crystal Logistics UK achieved a 4.12% increase in customs clearance business against the trend through proactive resource optimisation and efficient organisational restructuring. Demonstrating excellent operational resilience while ensuring customer service continuity, it fully reflects the company's strong risk response and governance capabilities.



III. Key Initiatives

- Proactive warehouse resource optimisation: Scientifically plan the London Gateway yard layout to improve cargo turnover and space utilisation, maximising warehouse storage efficiency and income.
- High-efficiency customs clearance team reconstruction and training: In Felixstowe, the UK's largest container port, the customs clearance team quickly completed the recruitment and training of seven professional team members in response to rapid changes in the business environment, established an efficient collaborative mechanism and ensured business continuity and compliant operation.
- Establish a flexible operation and risk response mechanism: Through flexible resource allocation and streamlined processes, effectively respond to policy and market changes. Customs clearance business achieved a 4.12% increase in the same year against the trend, demonstrating excellent organisational adaptation and governance capabilities.







I. Philosophy

We focus on the construction of modern enterprise system, addressing key governance issues under the ESG framework. By building a diligent and disciplined management structure, we continuously stimulate organisational vitality and enhance core competitiveness.



II. Overview

COSCO SHIPPING UK continues to strengthen corporate governance, taking the diligent management system as the core, constructing a rigorous and efficient institutional operating foundation and providing a solid guarantee for the company's compliant international business development and sustainable development.



- Establish a diligent and disciplined institutionalised management system: Taking strict systems, rigorous management, a serious attitude and diligence in management as the core, unifying management personnel.
- Take the lead in obtaining internationally authoritative certification: The company quickly passed the UK BSI (ISO9002) quality management system certification, promoting operational improvement and efficiency with high-standard management.
- Continuously strengthen compliance and qualification development: The company has attained the highest level of Authorised Economic Operator (AEO) certification from HMRC. Its trucking fleet demonstrates outstanding compliance performance. The strong commitment to regulatory excellence effectively supports specialised services such as T1 declarations, ensuring the smooth execution of international operations.
- Solidify the strategic function of free trade port nodes: Successfully obtained the "Freeport Customs Site Operator (CSO)" qualification, further enhancing supply chain reliability.





ESG Highlights 2025: Outstanding Cases from COSCO SHIPPING UK



Cultural Cohesion: Advancing Corporate Culture with Purpose



I. Philosophy

We highly value corporate social responsibility, focusing on key governance issues of ESG corporate culture, continuously improving ESG capabilities and cultivating responsible corporate culture.



II. Overview

COSCO SHIPPING UK places cross-cultural integration at the heart of its corporate culture development. By promoting multicultural values, implementing a localisation strategy, and innovating integration models, the company effectively aligns its corporate values across diverse teams. It also strengthens five key areas of soft power—professionalism, loyalty, service innovation, teamwork, and brand building—significantly enhancing employee engagement, managerial capability, and cross-cultural competitiveness. These efforts provide a solid governance foundation for the company's sustainable growth.



III. Key Initiatives

- Promote a cultural integration innovation model: Advocate an inclusive and harmonious diversified culture to achieve a high degree of unity of corporate values and strategic goals in a diverse context.
- Deepen localisation strategies and cross-cultural competency building: Consider localisation as a key means of promoting intercultural understanding and communication skills among employees.
- Refine and practise core competitiveness in five key areas of soft power: Enhance professionalism, loyalty, service innovation, teamwork and brand building.
- Enhance organisational cohesion and sustainable development capabilities: Significantly enhance employee loyalty and improve management's cross-cultural leadership through cultural governance.











Looking ahead, COSCO SHIPPING (Europe) GmbH will further deepen its ESG (Environmental, Social, and Governance) strategy comprehensively.

Environment: "Green Development"

Adhering to green, low-carbon, and resource-efficient business strategies, striving to achieve harmonious coexistence between economic growth and the environment, and supporting the industry's steady transition toward green and low-carbon development

Society: "Pursuit of Betterment"

Upholding a people-oriented development philos-

ophy, safeguarding legitimate rights and interests of employees, sincerely collaborating with partners for mutual benefit and value creation, and actively engaging in public welfare initiatives to foster a harmonious and beautiful new chapter.

Governance: "Steady Progress"

Committing to integrity in business operations, continuously improving corporate governance, advancing quality management, providing premium services to customers, accelerating digital and intelligent transformation, and forging ahead on the path of high-quality development.