



COSCO SHIPPING (Europe) GmbH



2025 COSCO SHIPPING (Europe) GmbH SUSTAINABILITY REPORT



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COSCO EUROPE

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COSCO SHIPPING (Europe) GmbH (hereinafter referred to as the "Company" or "COSCO SHIPPING (Europe)") is one of the ten overseas regional companies of China COSCO Shipping Corporation Limited (hereinafter referred to as "COSCO SHIPPING Group" or the "Group"). Established in February 1989 and registered in Hamburg, Germany, the Company serves as the Group's regional management headquarters in Europe. It oversees COSCO SHIPPING-affiliated entities across 64 countries and regions, including Europe, Northern Africa, Central Asia, Israel, Türkiye, Cyprus, Azerbaijan, Armenia, and Georgia. The Company's business scope encompasses container shipping, bulk and breakbulk shipping, integrated logistics and supply chain services, shipping agency services, as well as ship technical services and supply. COSCO SHIPPING (Europe) plays a vital supporting role in the Group's efforts to build a global, digitalized logistics and supply chain ecosystem.

As a key regional hub within the Group's global network, COSCO SHIPPING (Europe) continues to deepen its presence in the European market by advancing a diversified and mutually beneficial business model centered on the coordinated development of ports, shipping, and logistics. By strengthening strategic synergies and operational integration across shipping, port, and logistics segments, the Company actively promotes cross-industry collaboration and green, low-carbon innovation. This approach not only drives the Company's own high-quality and sustainable development, but also contributes to the harmonious alignment of business growth with local economic prosperity and environmental stewardship.

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Message from the Chairman

The year 2025 marks a pivotal stage in the accelerated advancement of global sustainable development, as well as a significant year for COSCO SHIPPING (Europe) in strengthening its environmental, social and governance (ESG) management and advancing toward high-quality development. As the regional headquarters of COSCO SHIPPING Group in Europe, we consistently embed sustainability into our strategic core and business practices, striving to serve as a benchmark for sustainable development among Chinese enterprises operating overseas.

Strategic Leadership: Anchoring the Direction of Sustainable Development

We recognize that the long-term value creation of a shipping and logistics enterprise is rooted in its ability to effectively respond to the needs of key stakeholders, including customers, employees and partners, while demonstrating a firm commitment to environmental and social responsibilities. During the reporting period, we systematically conducted a double materiality assessment, identifying 19 material topics, including climate change, protection of workforce rights and supply chain resilience. These topics have been fully integrated into the Company's strategic planning and decision-making processes. We firmly believe that only by elevating sustainability from a compliance requirement to a core strategic priority can we truly achieve mutually beneficial outcomes for business, society and the environment.



Fu Xiangyang

Chairman

COSCO SHIPPING (EUROPE) GMBH

Action-Oriented Approach: Delivering on Green and Low-Carbon Commitments

As a logistics and supply chain enterprise rooted in Europe and connected globally, we actively respond to the EU's "Fit for 55" package and the decarbonization targets of the International Maritime Organization (IMO), positioning green transition as a core driver of our development. In 2025, we accelerated the optimization of our fleet energy structure by initiating the construction of two methanol dual-fuel feeder vessels. On the landside, our operations also made significant progress: our Belgian subsidiary deployed a fleet of fully electric trucks, while our UK-based logistics operations achieved a 40% reduction in operational carbon emissions through a green and intelligent warehouse. We recognize that there are no shortcuts on the path to decarbonizing the shipping industry; only continuous technological innovation and pragmatic action can drive meaningful progress.

Responsibility as the Foundation: Co-creating Value with Stakeholders

Over more than three decades of development in the European market, we have consistently upheld a philosophy of "global vision with localized operations", fostering strong mutual trust with port communities, customers, employees and residents. During the reporting period, we further enhanced employee care and safety systems, extended ESG management across the supply chain to cover value chain workers, and actively engaged in community initiatives and marine ecosystem protection. We firmly believe that sustainable development depends on respect for people, commitment to communities, and steadfast adherence to responsibility.

Looking forward, both challenges and opportunities lie ahead. COSCO SHIPPING (Europe) will remain committed to the Group's vision of building a world-class, technology-driven container shipping enterprise. Driven by digitalization and green, low-carbon transformation, we will work hand in hand with all stakeholders to write a new chapter in sustainable development.



01

General Disclosures [ESRS 2]

- Basis of Preparation
- Governance
- Strategy
- Impact, Risk and Opportunity Management
- Metrics and Targets



1 Basis of Preparation

About COSCO SHIPPING (Europe) GmbH

01 Sustainability Philosophy and Management

We integrate sustainability into the Company's overall strategy and business operations, systematically identifying and managing ESG-related risks and opportunities, while actively responding to the core concerns of our stakeholders.

02 Sustainability Commitment

Corporate Sustainability Commitment

As a logistics and supply chain enterprise rooted in Europe and connected globally, we take the United Nations Sustainable Development Goals (SDGs) as our guiding framework. We deeply embed the SDGs into our regional operations and development strategy, addressing them across environmental, social, governance, and industry dimensions. Leveraging our expertise in logistics and supply chain services, we actively contribute to the implementation of the SDGs across the European region.



Sustainable Development Goals

Sustainability Objectives across Environmental, Social, Governance and Industry Dimensions



ESRS 2 BP-1

General Information on the Preparation of this Report

The key principles and basic information underlying the preparation of this Report are as follows:

01 Reporting Period

The reporting period is fully aligned with the financial year, covering 1 January to 31 December 2025. All data collection is synchronized with the financial audit cycle. Unless otherwise specified, "short term" refers to within one year of the reporting period, "medium term" refers to two to five years, and "long term" refers to more than five years.

03 Scope of Consolidation

The reporting boundary of this Report differs from the scope of consolidation of the Company's 2025 financial statements:

15 wholly owned subsidiaries: The Company exercises control over these entities, and they are fully consolidated into the financial statements. Their ESG data are fully included in this Report.

2 equity-accounted investees: Ocean Rail Logistics S.A. and Chimbusco Europe B.V. are not included in the financial consolidation scope. However, given their substantive operational relevance, they are included in this ESG disclosure to provide a more comprehensive reflection of the Company's sustainability management practices.

02 Organizational Boundary

This Report covers COSCO SHIPPING (Europe) GmbH and all its subsidiaries under its control in the European region (see table below), including 15 wholly owned subsidiaries and 2 equity-accounted investees. It encompasses all business segments, including container shipping, bulk and breakbulk shipping, integrated logistics and supply chain services, ship technical services, and marine fuel supply.

No.	Company Name (Full Legal Name)
1	COSCO SHIPPING (Europe) GmbH
2	CHINA SHIPPING (Europe) Holding GmbH
3	Multimodal Logistics Ltd
4	COSCO SHIPPING Lines (Egypt) S.A.E.
5	COSCO SHIPPING (UK) Co., Ltd.
6	Newman Shipping & Agency Co N.V.
7	COSCO SHIPPING Lines (France) S.A.S.
8	COSCO SHIPPING Romania Shipping and Trading Ltd.
9	COSCO SHIPPING (Türkiye) & Foreign Trading S.A.
10	Penta Global Logistics Co., Ltd.
11	Cross-Ocean B.V.
12	COSCO SHIPPING Lines (Finland) Co., Ltd.
13	COSCO Shipholdings (UK) Co., Limited
14	COSCO SHIPPING Crystal Logistics (UK) Co., Ltd.
15	HafenCity Immobilie Sandtorkai 60 GmbH
16	Ocean Rail Logistics S.A.
17	Chimbusco Europe B.V.

04 Value Chain Coverage

Guided by COSCO SHIPPING Group's vision of "pursuing high-quality development to build a world-class, technology-driven container shipping enterprise", we are committed to facilitating trade flows and economic development across Europe and globally. The Company's core business segments include international shipping and integrated logistics and supply chain services. Shipping operations cover the maritime transportation of containers, dry bulk, breakbulk, and specialized cargo, supported by ship agency and bunkering services. Logistics and supply chain services provide integrated, one-stop solutions, including road and rail transportation, warehousing and distribution, and customs clearance.

Across our upstream and downstream value chain, we collaborate closely with a wide range of partners and regulatory bodies, including shipbuilding and repair companies, crewing agencies, fuel suppliers, port and terminal operators, railway operators, trucking companies, warehousing service providers, airlines, as well as government authorities such as customs and maritime administrations. These key partners and institutions provide essential resources and institutional support for the smooth operation of our business system and the continuous delivery of high-quality products and services to our customers.

Our value chain also extends to the local communities in which we operate and encompasses diverse forms of human capital, including the Company's direct employees, contracted workers, employees of suppliers (who are not directly employed or contracted by the Company), as well as employees of joint ventures and affiliated entities.



2 Governance

As an important overseas branch of COSCO SHIPPING Group, the Company's corporate governance system reflects the Group's principles of professionalism, internationalization, and compliance, while actively adapting to the local business environment and regulatory requirements in Europe. Our governance framework integrates international standards, refined operational management, risk prevention and control, strategic alignment, and cross-cultural integration, with the aim of ensuring stable and efficient operations in a complex international environment. See the table below for details.

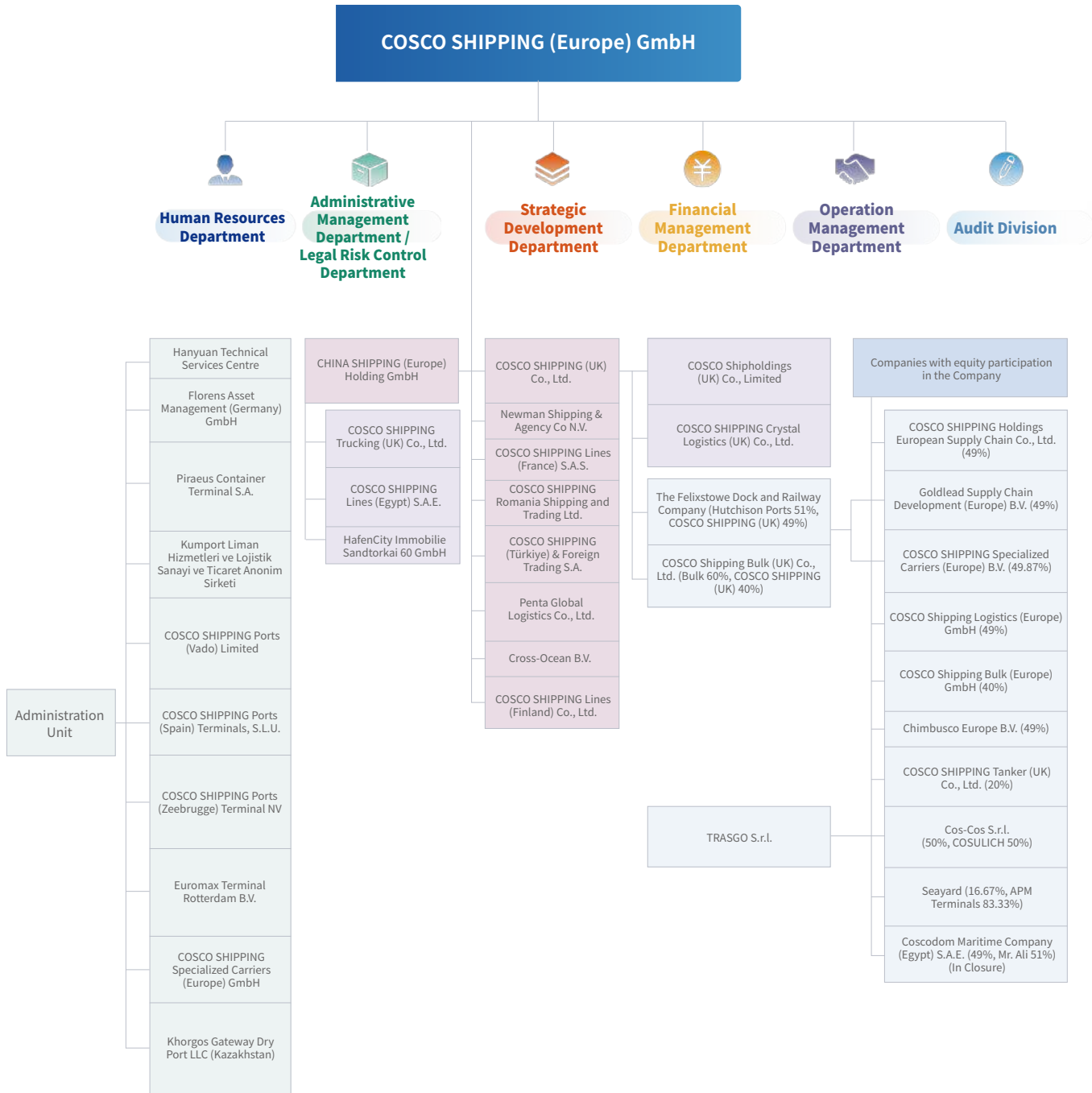
COSCO SHIPPING (Europe) Governance Framework

Governance Dimension	Core Elements	Key Practices
Internationalization of Governance System	Adherence to international standards and local laws and regulations.	Establishment of a comprehensive process management system; performance evaluation benchmarked against industry leaders.
Organizational Structure and Operational Refinement	Optimized structure, clear division of responsibilities, cost control, and efficiency enhancement.	Implementation of a flat management structure; establishment of specialized departments (e.g. Operation Management Department, Financial Management Department); refined cost management practices.
Risk Prevention and Supervision	Strengthening audit oversight, compliance management, and integrity risk control.	Establishment of a comprehensive, multi-level risk monitoring system; regular governance effectiveness evaluations and internal control compliance audits.
Strategic Coordination and Localization	Alignment with the Group strategy, enhancement of regional coordination, and improvement of logistics hub efficiency.	Alignment with the Group's investment and operation of key ports (e.g. Piraeus Port, Valencia Terminal); optimization of cross-regional logistics resource allocation.
Special Committee of the Board of Directors	Establishment of specialized committees to ensure scientific and independent decision-making.	Regular convening of committee meetings to review key matters.
Cross-Cultural Integration	Respect for local cultures and promotion of mutual learning between Chinese and European management practices.	Advanced management practices introduced by the Chinese management team recognized by local management; cultural integration enhances collaboration and operational efficiency.

ESRS 2 GOV-1

Composition and Responsibilities of Administrative, Management and Supervisory Bodies

The Company's business structure is illustrated in the figure below.



01 Composition of Administrative, Management and Supervisory Bodies [ESRS 2 GOV-1 21]

The Board of Directors comprises 7 members, including 2 internal directors serving respectively as the Chairman and the President, and 5 external directors, including 1 full-time external director, 2 heads of key functional departments of the Group, and 2 senior executives from the Group's specialized subsidiaries. Board members possess extensive experience in shipping and logistics, financial management, strategic planning, and multinational operations. The Board demonstrates a high level of professionalism, diversity, and strategic vision, providing a robust governance foundation for the Company's sustainable development strategy.

02 Responsibilities of the Board in ESG Matters

The Board of Directors holds ultimate responsibility for the Company's ESG strategy and disclosures. It is responsible for formulating ESG development principles and strategies, and for overseeing the management of ESG-related risks.

Five specialized committees have been established under the Board of Directors to guide specific material impacts, risks and opportunities (IROs). Major decisions and key projects are subject to prior review by the relevant committees. Following thorough deliberation and the provision of recommendations, such matters are submitted to the Board for consideration and approval.

Committee	Core duties
<p>Nomination Committee / Executive Committee</p>	<p>Responsible for implementing decisions and directives from higher authorities, overseeing talent development, selection, appointment, and performance evaluation and incentives. The Committee also reviews major operational and management matters and provides recommendations to the Board of Directors and the management team.</p>
<p>Strategy and Investment Committee</p>	<p>Responsible for reviewing the Company's long-term development strategy, examining major matters such as core business adjustments, investments, and capital operations, and providing recommendations to the Board.</p>
<p>Remuneration and Appraisal Committee</p>	<p>Responsible for reviewing the Company's remuneration policies, establishing and overseeing the implementation of performance evaluation and remuneration management for senior management, and providing recommendations to the Board on performance assessment and compensation matters.</p>
<p>Risk and Compliance Committee</p>	<p>Responsible for the execution of risk management activities, including the identification, assessment, and monitoring of material risks. The Committee also provides guidance and analysis on global political, social, and environmental risks and opportunities that may impact the Company, and oversees the Company's sustainability management.</p>
<p>Audit Committee</p>	<p>Responsible for overseeing the implementation of the internal control system and reviewing the execution of risk management and compliance processes.</p>

03 ESG Governance Mechanism at the Management Level

Sustainability Working Group: A dedicated ESG lead has been designated at the senior management level. A cross-regional and cross-functional Sustainability Working Group has been established, comprising representatives from Europe, Asia and Africa, as well as key management and functional departments across the Company. The Working Group is responsible for advancing ESG-related initiatives and regularly reporting to the management team and the Board of Directors on the implementation of targets and policies.

04 Reporting Lines for Material Impacts, Risks and Opportunities (IROs)

The management team reports monthly to the Board of Directors on operational performance, financial conditions, and the progress of major projects. During Board meetings, proposals are presented directly by relevant senior executives, who also respond to questions and comments raised by Board members. Following Board approval, resolutions are implemented by management and executed across the organization.

05 Integration of Sustainability Performance into Remuneration Incentives

The remuneration incentive framework for senior management incorporates both short-term and long-term sustainability objectives, with a focus on key issues such as climate action and employee rights protection. Sustainability-related performance indicators are explicitly included in remuneration assessment criteria, and a portion of variable remuneration is directly linked to the achievement of sustainability targets.

The terms of the incentive framework are reviewed and approved in accordance with corporate governance procedures, and are regularly updated in line with regulatory requirements and business developments, ensuring strong alignment between remuneration mechanisms and the Company’s sustainability strategy.

06 Key Performance Indicators

- During the reporting period, the Company convened and conducted the following meetings in compliance with applicable laws and regulations:
- As for the special committees of the Board of Directors:



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Sustainability Skills and Expertise of Administrative, Management and Supervisory Bodies

In accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), the Company has established a systematic capability-building mechanism to ensure that its administrative, management and supervisory bodies possess adequate expertise and skills to effectively identify, assess and oversee material sustainability-related impacts, risks and opportunities (IROs). The key practices are as follows:

Optimization of Expertise Structure of the Board and Senior Management

In 2025, Board members participated in multiple training sessions on double materiality assessment and the EU Taxonomy, covering forward-looking topics such as climate change adaptation, digital supply chains, and talent development.

Capability Enhancement Programs for Functional and Business Departments

● Cross-functional collaboration platform:

The ESG Working Group, together with the Legal, Technical and Operations departments, established a "Sustainable Transformation Joint Taskforce", which regularly organizes internal workshops to analyze technical and regulatory developments, including the EU "Fit for 55" package and new regulations issued by the International Maritime Organization (IMO).

● Digital tools empowerment:

An "intelligent risk early warning system" has been deployed to monitor key indicators such as carbon emissions and energy efficiency in real time. Relevant personnel are required to obtain certification in system operation and data analysis.

External Expert Network and Academic Collaboration

● Industry-academia-research collaboration:

The Company collaborates with leading academic and research institutions, including Hamburg Business School, World Maritime University, China International Sustainable Transport Innovation and Knowledge Center, Tsinghua University, and Shanghai Maritime University, to advance research on low-carbon fuel applications, carbon capture technologies, and EU sustainability regulations. Technical teams participate in joint research projects, the outcomes of which are incorporated into internal training programs

● Third-party advisory support:

International consulting firms are engaged to provide tailored training on topics such as the ESRS disclosure framework, General Data Protection Regulation (GDPR) compliance, and dual-fuel vessel compliance. In 2025, a total of 12 executive-level workshops and interviews were conducted.



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Due Diligence Practices and Effectiveness in Relation to Sustainability Matters

The Company fulfills its sustainability responsibilities through a systematic integration of the five key elements of due diligence: governance embedding, risk identification, stakeholder engagement, response measures, and tracking and improvement.

Overview of Due Diligence Practices of the Company

- | | |
|--|--|
| <ul style="list-style-type: none"> ● Integration of due diligence into governance, strategy and business model | <p>Due diligence is embedded in the Company's strategic decision-making processes. Prior to major strategic initiatives or investment decisions, the Board of Directors and relevant committees conduct collective discussions and assessments of potential sustainability-related impacts, risks and opportunities.</p> |
| <ul style="list-style-type: none"> ● Engagement with affected stakeholders throughout all key stages of due diligence | <p>A regular communication mechanism has been established to engage stakeholders. Feedback is collected on topics such as labor rights protection within the supply chain and pollution prevention, and is incorporated into the Company's due diligence processes.</p> |
| <ul style="list-style-type: none"> ● Identification and assessment of adverse impacts | <p>The Company systematically identifies potential impacts across its logistics and supply chain activities, with a focus on environmental compliance and energy efficiency in logistics and warehousing operations. Ongoing risk monitoring is also conducted for vessel chartering counterparties.</p> |
| <ul style="list-style-type: none"> ● Actions taken to address adverse impacts | <p>The Company optimizes resource allocation, enhances operational efficiency, and strengthens compliance coordination with stakeholders to ensure that adverse impacts across the value chain are effectively managed and mitigated.</p> |
| <ul style="list-style-type: none"> ● Tracking effectiveness and communication | <ul style="list-style-type: none"> • Installation of emission monitoring systems to track greenhouse gas and pollutant emissions in real time • Regular disclosure of emissions data and decarbonization progress through this Report and the annual financial report |

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Risk Management and Internal Control

01 Risk Management and Internal Control System

The Company's risk management and internal control system covers 62 managed entities across the European region and spans the entire "shipping + port + logistics" value chain. The core components include:

01 Governance structure

The Board of Directors holds ultimate oversight responsibility. The management-level ESG Working Group is responsible for overall coordination, while regional legal and risk control teams implement specific responsibilities.

03 Process integration

Sustainability risk identification and assessment are systematically embedded into the full lifecycle of major investment projects, supply chain management, and new business development.

02 Institutional framework

The system is underpinned by key policies, including the Decision-Making System for "Three Uigmas" (Important Decisions, Important Personnel Appointments, Major Projects, and Large-sum Funds), the Internal Control Management Measures, the Risk Management Framework, and the Guidelines for the Standardized Operation of Boards of Subsidiaries. These frameworks institutionalize the assessment and decision-making processes for material ESG-related matters.

04 System support

Digital systems such as the International Railway Industry Standard Version 4 (IRIS 4), the Control System Bus (CBS), and the legal and compliance digital risk control platform are utilized to enable process monitoring and data management.

02 Risk Assessment Methodology

The Company adopts a matrix-based risk assessment approach based on impact and likelihood:

01 Risk identification

A systematic scanning process is conducted through industry analysis, stakeholder engagement, internal audits, and regulatory research.

02 Risk analysis

Risks are assessed from two dimensions – financial materiality and impact materiality – to evaluate their potential effects on strategy, financial performance, and stakeholders.

03 Risk prioritization

Based on the assessment results, risks are ranked within an "impact-likelihood" matrix, with priority given to those that may significantly affect the achievement of strategic objectives.

03 Key Risks and Response Measures

01 Policy and compliance risks

Managed through proactive engagement in industry policy advocacy (e.g. promoting a just transition within the IMO framework) and the strengthening of internal "three-stage" mechanisms (early warning, pre-control, and contingency planning).

02 Climate transition risks

Addressed through strategic investments in green fleets (e.g. dual-fuel feeder vessels), participation in green solutions such as electric barges, and the development of marine new energy bunkering solutions.

03 Value chain responsibility risks

Mitigated through supplier qualification reviews, post-merger integration (e.g. TRASGO), and strengthened control over key operational segments to enhance transparency and standards across the value chain.

04 Geopolitical and operational risks

Managed through diversified logistics networks (e.g. land-sea express corridors) to disperse risks, alongside the establishment of emergency response mechanisms to ensure business continuity.

04 Management Oversight and Reporting Mechanisms

01 Management reporting

The ESG Working Group regularly submits an ESG Risk and Opportunity Management Report to management, tracking the status of material risks and the progress of mitigation measures.

02 Board oversight

The Board of Directors receives at least one dedicated annual report on ESG management.

03 Incident reporting

In the event of major unforeseen risks, an immediate reporting mechanism is activated.

3 Strategy

As a key shipping force supporting trade flows across Europe, we embed sustainability deeply into our strategic core and business practices, viewing it as both a central driver of corporate development and a source of differentiated competitive advantage. We believe that long-term value creation in the shipping and logistics sector is rooted in the ability to effectively respond to the needs of key stakeholders, including customers, employees, and partners, and is equally dependent on a firm commitment to environmental and social responsibilities.

ESRS 2 SBM-1

Strategy, Business Model and Value Chain

01 Operating Model

Leveraging the global network and port resources of COSCO SHIPPING Group's affiliated shipping companies, we collaborate closely with stakeholders across the value chain to strengthen our digital supply chain service capabilities. We actively develop benchmark supply chain products and solutions, effectively utilizing core logistics resources such as warehousing, rail, and trucking to continuously enhance an integrated intermodal service network covering "sea-rail-road-air" transportation. We are advancing the development of transport corridors across Europe, building a multi-route, fully integrated, and digitalized logistics network spanning sea, land, and air, thereby contributing to regional economic and social development.

In 2025, the Company achieved total revenue of EUR 211 million, a year-on-year increase of 16.05%, and net profit of EUR 55 million, up 73.64% on a year-on-year basis.

02 Business Model and Value Creation

We adhere to the core principle of responsible operations, fully integrating sustainability into the entire logistics and supply chain service lifecycle. Through process optimization, digital technology enablement, and the integration of high-quality resources, we provide customers with efficient, flexible, and reliable end-to-end logistics and supply chain solutions. While helping customers reduce costs, improve efficiency, and enhance supply chain resilience, we also contribute to the green transformation and sustainable development of the shipping and logistics industry through pragmatic actions.



03 Future Development Strategy

Advancing supply chain system development

The Company will strengthen the allocation of core logistics resources by actively deploying supply chain assets at key nodes. Through a combination of self-investment and strategic partnerships, we will enhance the utilization efficiency of core resources such as warehousing, trucking, rail, barges, and customs services, and build an integrated regional supply chain service platform across sea, land, and air.

We will further enhance our capabilities in the design, production, and delivery of digital supply chain products. By leveraging proprietary operating platforms and diversified supply chain solutions, we aim to improve resource integration, enrich digital supply chain offerings, and strengthen our "one-stop" end-to-end service system, particularly enhancing last-mile delivery capabilities.

We will collaborate with leading shipping companies to improve land-sea express networks, actively develop rail transport resources, expand intermodal routes, and continuously build high-quality sea-rail intermodal service offerings.

We will also strengthen digital technology development and application, advancing systems such as Warehouse Management System (WMS), Truck Management System (TMS), and Freight Management System (FMS). Supported by digital operations and green delivery capabilities, we aim to achieve seamless integration, informatization, digitalization, and visualization across the end-to-end supply chain, enabling effective connectivity with customers' and suppliers' systems.

Developing a green shipping fleet

Leveraging the professional strengths of our existing fleet, we will integrate upstream and downstream shipping resources and promote the acquisition of new energy vessels to achieve breakthrough development in our owned fleet, thereby building a regional shipping service platform across Europe.



Accelerating green, low-carbon and intelligent development

In line with emerging trends in green shipping, we will integrate low-carbon development into our digital supply chain transformation framework. We will leverage Europe's inland waterway systems and collaborate with local partners to develop and operate electric inland barges. In addition, we will also plan and develop green fuel bunkering infrastructure, including methanol supply facilities, to support vessels operating in European waters.

Advancing the development of affiliated entities

We will actively expand and extend our business scope, fostering a group of project companies characterized by leading professional capabilities, refined management, advanced technological innovation, and distinctive strengths in green shipping-port-logistics integration.



04

Strategic Positioning



Supply Chain Service Platform

Guided by a digital supply chain strategy, we leverage our established European market presence, network, and resources to strengthen collaboration with stakeholders. We are transitioning from a management platform to a fully integrated supply chain service platform, promoting the efficient operation of an overseas digital supply chain system.



Brand Communication Platform

We actively promote the COSCO SHIPPING brand and its sub-brands through social media, exhibitions, industry associations, and high-level forums, communicating our capabilities in green, low-carbon, intelligent, and digital supply chain services.



International Talent Development Platform

Focusing on capabilities such as digitalization, logistics and warehousing, rail terminal operations, international business cooperation, and localized service delivery, we contribute to local employment and talent development. We continue to attract and cultivate high-level talent, optimize recruitment and evaluation mechanisms, and accelerate the development of an international talent pool.



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05 Our Shared Values



Our proprietary PANDA value system represents a distinctive dual-dimensional cultural framework that both defines employee behavioral standards and articulates the Company's development philosophy.

Employee Dimension: Five Pillars of Individual Development



◆ Professional

forms the foundation of the PANDA values. We believe in "professional work by professionals", emphasizing expertise and experience in the industry. This is not only reflected in the strict screening of professional capabilities during the recruitment process, but also in the respect and cherishing of professional spirit. In the highly specialized shipping and logistics industry, professional capabilities serve as the fundamental guarantee for service quality and operational safety.

◆ Attitude

is regarded as the key driver of success. The belief that "attitude determines everything" is embedded across the corporate culture, encouraging a proactive and positive approach to challenges and opportunities.

◆ Negotiate

capability is essential in a complex international environment. Employees are expected to demonstrate strong communication and negotiation skills in both external and internal interactions, enabling effective consensus-building.

◆ Dauntless

reflects the courage to face challenges. This quality is manifested in the ability to remain undaunted and not to give up easily when undertaking difficult tasks. We encourage resilience and perseverance, recognizing that greater challenges often bring greater value.

◆ Accountable

represents the ultimate expression of our values. We emphasize personal responsibility, believing that the primary meaning of freedom is to be responsible for oneself. Responsibility is not only regarded as the driving force for creating miracles, but is also understood as an expression of having a passion for the things one does.



Dauntless



Accountable

Corporate Dimension: Five Directions of Organizational Commitment



Sailing

◆ Personality

reflects our respect for individuality, both in employees and in customer service. We are committed to creating an inclusive and diverse working environment, treating every customer with care while valuing the unique contributions of each employee.

◆ Aspiration

represents our ambition for success. Inspired by the belief that "if your dreams do not scare you, they are not big enough" by Accenture CEO Julie Sweet, we foster a performance-driven culture, "Go big or go home", that encourages excellence and provides opportunities for capable individuals.

◆ Nature

embodies our environmental commitment. Respecting and protecting the natural environment and pursuing sustainable development are our long-term priorities. It is reflected in initiatives such as green logistics, low-carbon transport, renewable energy applications, and green shipping solutions.

◆ Decency

We uphold justice rooted in dignity, treating every stakeholder as a free and equal partner. We embrace diverse backgrounds and perspectives, fostering inclusion to advance fairness and innovation, building a sustainable community defined by ethical integrity and collaborative value creation.

◆ Accordance

reflects our principle of coordinated development. Guided by the "Four Ones" concept (One Team, One Culture, One Goal and One Dream), we ensure alignment and cohesion across the organization.



Together

ESRS 2 SBM-1

Stakeholder Engagement and Participation

We recognize that responsible operations and the creation of sustainable value are fundamentally built upon continuous and in-depth engagement with our stakeholders. We are committed to transforming stakeholders' core expectations and professional insights into key inputs for our environmental, social and governance (ESG) strategic decision-making and actions through systematic identification, engagement and integration mechanisms. In doing so, we aim to build long-term mutual trust and jointly advance the sustainable development agenda.

01 Systematic Engagement and Value Integration

Our double materiality assessment process is deeply embedded in stakeholder engagement. Through systematic interactions with parties that may be directly or indirectly affected by our operations, as well as those who use the information we disclose, we are able to accurately identify current and emerging material impacts, risks and opportunities. These insights provide indispensable decision-making inputs for ESG project planning, target setting, and performance management, ensuring the effective fulfillment of our ESG commitments.

The table below outlines the seven priority stakeholder groups identified by the Company, their core expectations, the main communication channels, and how their feedback is integrated into strategy and management.

Key External Stakeholder Engagement and Feedback Integration Mechanisms

Stakeholders	Core expectations and demands	Institutionalized communication channels	Strategic integration and application
Employees, temporary workers and value chain workers	<ul style="list-style-type: none"> • Safeguarding occupational health and safety (OHS) • Providing fair remuneration and benefits • Protecting fundamental labor rights • Creating an inclusive and respectful workplace environment • Establishing clear career development pathways 	<ul style="list-style-type: none"> • Regular management communication and team meetings • Annual employee engagement and satisfaction surveys • Anonymous grievance and suggestion management systems • Regular consultation mechanisms with trade unions and employee representatives • On-site social responsibility audits of key suppliers 	Drives the optimization of internal policies and processes. Identified issues lead to corrective and preventive actions, continuously enhancing human resource management and business ethics standards.
Customers	<ul style="list-style-type: none"> • Access to highly reliable and efficient logistics and supply chain services • Collaborative management of environmental impacts within the supply chain 	<ul style="list-style-type: none"> • Daily operational coordination and customer service management • Annual key customer summits and structured satisfaction surveys • Joint task forces and participation in industry green initiatives 	Guides service innovation and the development of low-carbon solutions. Customer demand for green value chains is directly linked to the implementation of our global and end-to-end logistics and supply chain service strategy.
Regulators and standard setters	The Company is expected to be in full compliance with its operations, and demonstrate industry leadership in promoting green transformation, fair competition and safe governance in the shipping industry.	<ul style="list-style-type: none"> • Participation in policy consultations with the International Maritime Organization (IMO), the European Union, and other regulatory bodies • Collaboration on the development of industry technical standards • Leadership or participation in pilot projects and industry alliances for advanced technologies 	Ensures forward-looking compliance, identifies strategic opportunities arising from policy developments, and contributes to shaping regulatory frameworks and technical standards that support the sustainable transformation of the industry.

Stakeholders	Core expectations and demands	Institutionalized communication channels	Strategic integration and application
Suppliers and business partners	Seeks long-term, stable and transparent strategic cooperation to achieve value chain synergy in ESG risk management, technological innovation and efficiency improvement.	<ul style="list-style-type: none"> • Lifecycle contract and performance management • Tiered supplier relationship management framework • Joint ESG capability-building workshops and training • Active participation in major industry forums and associations 	Enhances understanding of ESG performance across the value chain, improves transparency and resilience, and promotes fair labor practices and business ethics throughout upstream and downstream operations.
Investors and analysts	Focuses on a company's long-term value creation capacity and risk management resilience, with clear disclosure of its ESG strategy, quantifiable targets and implementation progress.	<ul style="list-style-type: none"> • Regular performance briefings, non-deal roadshows, and dedicated meetings • Annual client conferences and ad hoc communications • Targeted ESG performance discussions 	Provides insights into capital market expectations and evaluations, helping to identify management gaps and emerging risks, and driving continuous improvement in corporate governance and disclosure practices.
Communities and natural environment in operating locations	The Company is expected to respect local ecology and cultures, effectively manage the environmental and social impacts of its operations, and deliver substantial contributions to community development.	<ul style="list-style-type: none"> • Regular environmental and social impact assessments • Local recruitment and community development initiatives • Ongoing dialogue with community representatives and civil society groups • Support for local environmental protection and biodiversity projects 	Community feedback provides critical baseline information for operational decisions, helping to minimize adverse impacts and improve the targeting and effectiveness of community investments.
Civil society organizations	The Company is expected to assume primary responsibility for key impact areas, including climate action, marine conservation and labor rights, and make verifiable positive contributions.	<ul style="list-style-type: none"> • Sponsorship or collaboration in frontier research projects • Established communication channels with local civil society organizations • Participation in and promotion of industry-wide collective action initiatives 	Provides independent and professional third-party insights and best practices, supports the identification of potential controversies, risks and opportunities, and enhances the scientific robustness and credibility of the Company's targets and action plans.

ESRS 2 SBM-3

Interplay of Material Impacts, Risks and Opportunities with Strategy and Business Model

The double materiality assessment was conducted in strict accordance with both impact and financial materiality principles. Through a systematic process, we identified and assessed impacts, risks and opportunities (IROs). Based on this analysis, we examined their interconnections with the Company's overall strategy, business model, and value chain, and determined the priority disclosure topics for the reporting period. These topics cover key ESRS areas, including climate change, employee rights and well-being, labor practices across the value chain, and business ethics. They also include entity-specific material topics reflecting the operational characteristics of the Company's European operations. All identified double materiality topics have been incorporated into the Company's management priorities. In addition, all confirmed material topics have been systematically integrated into the Company's medium- to long-term strategic planning as core elements, supporting the ongoing development of the business model and the achievement of sustainable development objectives.

To ensure transparency and traceability of disclosures, this Report provides corresponding internal management information for each material topic in the relevant sections, forming a clear logical linkage and direct alignment with the Company's established policy statements and specific action plans.

4 Impact, Risk and Opportunity Management

ESRS 2 IRO-1 ESRS 2 IRO-2

Double Materiality Assessment

01 Assessment Period

In assessing impacts, risks and opportunities, we strictly follow the time horizon definitions set out in ESRS 1: short-term refers to the current reporting year; medium-term covers a period of 1 to 5 years. In addition, we have identified certain long-term (beyond five years) impacts, risks and opportunities.

02 Process for Identifying and Assessing Material Impacts, Risks and Opportunities

Scope of assessment

In the double materiality assessment, we systematically reviewed all operational activities and value chain components to identify potential impacts, risks and opportunities across both upstream and downstream value chains. For value chain segments with limited transparency, we utilized multiple sources, including industry analysis reports, academic research, and stakeholder-shared information, to identify potential high-risk areas, operational activities, and vulnerable groups.

We also paid particular attention to emerging factors, including the development of green fuel technologies, the advancement of carbon pricing mechanisms, and the digitalization of supply chains. A dynamic monitoring mechanism has been established. We regularly update assessment results to reflect the potential impact of changes in internal and external environments.

In identifying sustainability topics, we also considered the following factors:

- **Sustainability standards:**
the first set of European Sustainability Reporting Standards (ESRS) issued by the European Commission;
- **International initiatives:**
the United Nations Sustainable Development Goals (SDGs), the 29th UN Climate Change Conference (COP29), the OECD Due Diligence Guidance for Responsible Business Conduct, the global temperature control targets under the Paris Agreement, and the Science Based Targets initiative (SBTi), among others;
- **Regulatory requirements:**
including the EU Corporate Sustainability Due Diligence Directive (CSDDD);
- **Market trends:**
the accelerating global sustainability transition, increasing trends toward intelligent, green and globalized supply chains, rising compliance thresholds in global markets, and the urgent need for enterprises to accelerate digital transformation and enhance supply chain resilience and risk response capabilities.







List of sustainability topics

Based on the above factors, and to comprehensively assess IROs with potential impact materiality and financial materiality, we expanded upon the 10 primary topics and 37 sub-topics recommended by the European Sustainability Reporting Standards (ESRS) by adding 13 entity-specific topics, resulting in a total of 50 sub-topics.

10
primary topics

50
sub-topics

37 + **13**
sub-topics + entity-specific topics

Dimension	Primary Topic	Sub-topic
 Environment (E)	 Climate change (E1)	01. Climate change adaptation
		02. Climate change mitigation
		03. Green fuels
		04. Impact of carbon taxation policies
		05. Digital supply chain
		06. Technological innovation
		07. Transport network development
		08. Energy use
	 Pollution (E2)	09. Air pollution
		10. Water pollution
		11. Soil pollution
		12. Pollution affecting living organisms and food resources
		13. Substances of concern
		14. Substances of very high concern
		15. Microplastics
	 Water and Marine Resources (E3)	16. Water resource management
		17. Marine resources
	 Biodiversity and Ecosystems (E4)	18. Direct drivers of biodiversity loss
		19. Impacts on species status
		20. Impacts on ecosystem extent and condition
	 Circular Economy (E5)	21. Impacts and dependencies on ecosystem services
		22. Resource inflows, including resource use
		23. Sourcing of critical resources
		24. Resource outflows related to products and services
		25. Waste management

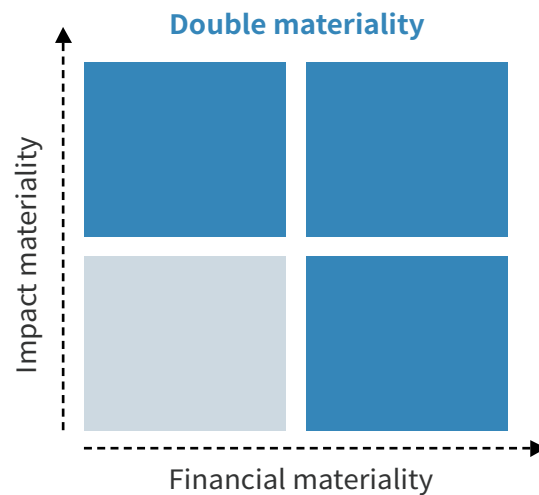
Dimension	Primary Topic	Sub-topic
 Society(S)	 Internal Workforce (S1)	01. Working conditions of the internal workforce 02. Equal treatment and equal opportunities 03. Other work-related rights 04. Talent development 05. Navigation safety
	 Workers in the Value Chain (S2)	06. Working conditions of value chain workers 07. Equal treatment and equal opportunities for value chain workers 08. Other work-related rights of value chain workers 09. Supply chain resilience
	 Affected Communities (S3)	10. Economic, social and cultural rights of communities 11. Civil and political rights of communities 12. Protection of Indigenous peoples' rights
	 Consumers and End-users (S4)	13. Information-related impacts on consumers and end-users 14. Personal safety of consumers and end-users 15. Social inclusion of consumers and end-users
 Governance(G)	 Business Conduct (G1)	01. Corporate culture 02. Whistleblower protection 03. Animal welfare 04. Political engagement and lobbying 05. Supplier relationship management, including payment practices 06. Corruption and bribery 07. Strengthening board governance 08. Risk prevention and regulatory compliance 09. Transparent and end-to-end compliance management 10. Brand building





Impact Materiality and Financial Materiality

In our assessment, we follow the requirements of ESRS, whereby double materiality consists of two dimensions: impact materiality and financial materiality. A sustainability matter is considered material, and therefore prioritized for disclosure in this Report, if it meets the criteria for impact materiality, financial materiality, or both. These impacts include impacts related to the Company's own operations and upstream and downstream value chains (including impacts arising from products and services), and impacts arising through business relationships. Business relationships are not limited to direct contractual relationships; they refer to relationships throughout the upstream and downstream value chain.



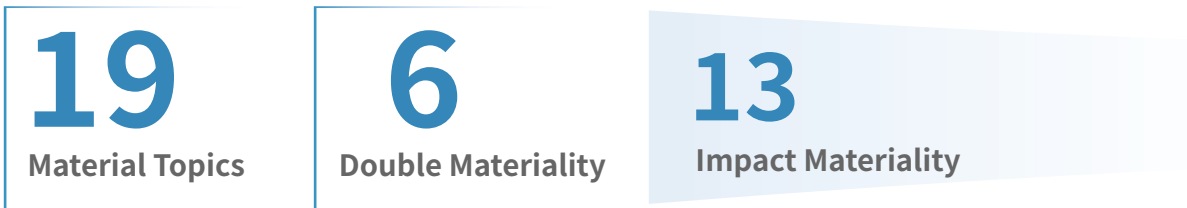
Materiality Assessment Methodology

We developed a dedicated scoring framework and organized evaluation workshops involving not only internal personnel but also participants from across the value chain. External sustainability experts were also invited to provide professional input. For each identified impact, risk and opportunity, a 1–5 scale was used to assess severity based on its scale, scope, and irremediability. For topics where the Company may cause impacts, the likelihood of occurrence was also assessed. Severity and likelihood were each assigned a weighting of 50%. For climate-related impacts, we additionally referenced the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). A threshold score of 3 (out of 5) was applied. Topics exceeding this threshold were identified as material impacts, risks and opportunities and included in this Report as key sustainability topics.



03 Results of Topic Assessment

In 2025, the results of topic identification are presented below. A total of 19 topics were identified as material, of which 6 topics exhibit both financial and impact materiality (double materiality), and 13 topics exhibit impact materiality only.



Results of Material Topic Identification

Dimension	Primary Topic	Sub-topic	Material impact type			
			Negative impact	Positive impact	Financial risk	Financial opportunity
Environment (E)	Climate change (E1)	01. Climate change adaptation		✓		
		02. Climate change mitigation		✓		
		03. Impact of carbon taxation policies (entity-specific)	✓			
		04. Digital supply chain (entity-specific)		✓		
		05. Transport network development (entity-specific)		✓		
		06. Energy use	✓			
	Pollution (E2)	07. Air pollution	✓			
		08. Water pollution	✓			
	Water and Marine Resources (E3)	09. Marine resources	✓			
Biodiversity and Ecosystems (E4)	Biodiversity and Ecosystems	The Company's operations focus on enterprise-level logistics and supply chain services and do not involve new infrastructure construction, land-use change, or direct intervention in high ecological value areas. Based on assessments of our operations and value chain, no material impacts, risks or opportunities related to this topic have been identified.				
Circular Economy (E5)	Circular Economy	As a logistics and transportation enterprise, the Company is not engaged in manufacturing activities; therefore, this topic is not applicable.				
Society (S)	Internal Workforce (S1)	10. Working conditions of the internal workforce		✓		
		11. Equal treatment and equal opportunities		✓		
		12. Other work-related rights		✓		
	Workers in the Value Chain (S2)	13. Protection of value chain workers' rights		✓		
	Affected Communities (S3)	14. Economic, social and cultural rights of communities		✓		
		15. Protection of Indigenous peoples' rights		✓		
Consumers and End-users (S4)	Consumers and End-users	The Company's clients are exclusively business entities (e.g. cargo owners and logistics partners), and it does not directly provide products or services to individual consumers. Therefore, topics related to end consumers are not applicable within the scope of this Report.				
Governance (G)	Business Conduct (G1)	16. Corporate culture		✓		
		17. Whistleblower protection		✓		
		18. Supplier relationship management		✓		✓
		19. Corruption and bribery	✓			

Note: Topics highlighted in red in the original table represent double materiality topics.

5 Metrics and Targets

Sustainability Performance Indicator System

The indicator system is designed to help stakeholders understand the effectiveness of the Company's management of material sustainability matters.

01 Environmental Indicators

E1 Climate change

We assess our impact on climate change using indicators including total GHG emissions (Scope 1 and 2), GHG emissions intensity, energy consumption (including fossil and renewable energy), and energy intensity.

S/N	Indicator	2025 Value
1	Total greenhouse gas (GHG) emissions (tCO ₂ e)	4,530
1.1	Scope 1 GHG emissions (tCO ₂ e)	4,469
1.2	Scope 2 GHG emissions (tCO ₂ e)	61
2	GHG emissions intensity (tCO ₂ e / EUR million)	4.63
3	Energy consumption (MWh)	19,106.76
3.1	Fossil energy consumption (MWh)	19,000.09
3.2	Renewable energy consumption (MWh)	106.67
4	Energy intensity (MWh / EUR million)	19.52

Note: Scope 3 emissions have not yet been included for the current reporting period and will be progressively incorporated in future reports.

E2 Pollution

We assess our impact on pollution using indicators such as air pollutant emissions and water pollutant discharges.

S/N	Air Pollutant Category	2025 Emissions (tonnes)
1	Nitrogen oxides (NOx)	2.2
2	Non-methane volatile organic compounds (NMVOCs)	1.13
3	Carbon monoxide (CO)	1.38
4	Fine particulate matter (PM2.5)	0.01

02

Social Indicators

We assess the status of our own workforce using indicators including total number of employees, gender ratio, gender pay gap (%), employee training hours (hours per employee per year), total recordable injury rate (TRIR), and involuntary turnover rate.

S/N	Indicator	2025 Value
1	Total number of employees	455
2	Gender ratio	60% male, 40% female
3	Gender pay gap (%)	19%
4	Employee training hours (hours/employee/year)	56
5	Total recordable injury rate (TRIR)	0%
6	Turnover rate	9%

Note: The "gender pay gap" refers to the difference between the average remuneration of male and female employees, expressed as a percentage of the average remuneration of male employees.

03

Governance Indicators

We assess governance performance using indicators such as the number of corruption cases involving senior management, anti-corruption training completion rate (%), and the frequency with which ESG risks are reviewed by the Board (times per year).

S/N	Indicator	2025 Value
1	Number of corruption cases involving senior management	0
2	Anti-corruption training completion rate (%)	100%
3	Frequency of ESG risk review by the Board (times/year)	2



02

ESRS Environmental (E)

- Climate Change (E1)
- Pollution (E2)
- Water and Marine Resources (E3)

Icons for SDG Alignment





1 Climate Change (E1)

Overview

At present, global climate change is accelerating at an unprecedented pace, with increasingly severe challenges such as frequent extreme weather events, rising sea levels, and ecosystem imbalances. As a leading player in international shipping and logistics supply chains, COSCO SHIPPING (Europe) fully recognizes that climate change not only leads to a global environmental crisis but also poses a core challenge that directly affects our operations, our customers' supply chains, and the long-term resilience of the industry.

The strong emphasis on climate action and the stringent regulatory environment in Europe present both pressures and opportunities in addressing climate change. The European Union's "Fit for 55" package and the expansion of the European Union Emissions Trading System (EU ETS) have set clear requirements for the low-carbon transition of the shipping industry. At the same time, geopolitical instability, frequent natural disasters, and escalating regional conflicts have increased operational complexity, potentially driving up logistics costs across the value chain in the short term and posing challenges to the timeliness and stability of supply chains.

01

Our Commitments and Actions

We are firmly committed to promoting the green transition of the shipping and logistics industry. With "leading sustainable shipping and building a low-carbon future" as the core of our environmental strategy, we aim to progressively achieve net-zero greenhouse gas emissions across the entire value chain through a combination of technological innovation, fleet optimization, and alternative fuel adoption. This commitment not only responds to the urgent needs of global climate governance, but also enables us to provide customers with more resilient low-carbon solutions, while reducing long-term transition risks and safeguarding the interests of our partners.





02

Challenges and Responses in 2025

Despite significant external challenges, including complex and evolving geopolitical dynamics, substantial energy price fluctuations, and the slow advancement of unified climate policies across the industry, we have continued to make tangible progress on decarbonization. Ongoing volatility and uncertainty in supply chains are exerting significant pressure on the efficiency and cost of inland transportation. We fully recognize these challenges and remain committed to advancing the development and application of energy efficiency technologies. Through measures such as optimizing fleet management and improving load factors, we strive to steadily achieve emission reduction targets while ensuring operational safety and service reliability.

03

Policy Alignment and Industry Collaboration

We advocate for the establishment of more ambitious and harmonized global climate policy frameworks for inland transportation. Key decisions from the International Maritime Organization (IMO) in 2025, particularly those of the Marine Environment Protection Committee, will have far-reaching implications for the global shipping industry's decarbonization pathway. COSCO SHIPPING (Europe) actively participates in industry dialogue, supports the IMO in formulating fair and feasible mid-term emission reduction measures, and works in coordination with EU regional policies to ensure that regulatory frameworks balance environmental benefits with the sustainable development of the industry.

We will continue to integrate climate action into the core of our corporate strategy, advancing low-carbon transformation through systematic emission reduction measures, supply chain collaboration, and international cooperation. In doing so, we aim to contribute to global climate goals while enhancing our competitiveness and resilience in both European and global markets.

Based on the results of the double materiality assessment in Volume 1, the material topics related to Climate Change (E1) are as follows:

List of Material Climate Change (E1) Topics

Material topics	Content	Placement	Period	Impact
Climate change adaptation	This topic relates to the resilience of our operations to physical climate impacts. Extreme weather events and chronic climate changes (such as sea-level rise, river level fluctuations, extreme temperatures, and earthquakes) directly threaten the safety of inland transport and warehousing operations, the reliability of transport schedules, and the continuity of the overall supply chain. We manage these risks, including operational disruptions, asset risks and customer supply chain disturbances, through infrastructure adaptation, dynamic optimization of transport networks, and business continuity planning.	Own operations and value chain	Long term	Positive impact
Climate change mitigation	This represents our core response to climate change. Greenhouse gas emissions from operations are the primary source of impact. Through energy efficiency improvements and energy transition, we aim to reduce the carbon footprint across the entire value chain, fulfill emission reduction responsibilities, and mitigate future compliance risks associated with stricter carbon constraints.	Own operations and value chain	Long term	Positive impact
Impact of carbon taxation policies	The inclusion of shipping in mechanisms such as the European Union Emissions Trading System (EU ETS) imposes financial burdens on shipping companies. Carbon emissions are directly translated into mandatory compliance costs, posing challenges to cost control and market competitiveness.	Own operations and value chain	Long term	Negative impact, financial risks
Digital supply chain	Digital supply chains optimize vessel speed, routing and port scheduling through big data and artificial intelligence, significantly improving energy efficiency and logistics performance, thereby supporting emission reduction and operational resilience. However, high upfront investment in system development, fleet upgrades and data integration, coupled with long and uncertain return cycles, creates financial pressure and technological integration challenges.	Own operations and value chain	Long term	Positive impact, financial risks
Transport network development	The development of integrated and multimodal transport networks can effectively reduce carbon intensity and enhance resilience to climate-related physical risks through route diversification. However, this is often associated with higher direct transport costs, increasing capital and operational expenditures, and resulting in sustained financial pressure.	Own operations and value chain	Long term	Positive impact, financial risks
Energy use	Mandatory EU requirements on energy structure and efficiency increase operational costs and limit operational flexibility. Dependence on traditional fuels exposes the Company to dual risks of energy price volatility and policy constraints during the transition period.	Own operations and value chain	Long term	Negative impact, financial risks

E1-1

Climate Transition Plan

Our climate transition plan is centered on achieving our 2030 emission reduction targets and covers greenhouse gas emissions from both our own operations and across the upstream and downstream value chain.

01

E1-1 16

Greenhouse gas emission reduction targets

We aim to limit global warming to 1.5° C, aligning with the Paris Agreement and the European Union's 2050 climate neutrality target.

02

E1-1 16

Key Decarbonization Actions and Levers

To achieve our decarbonization targets, we are systematically advancing the following key areas:

Green and intelligent transformation of logistics and supply chains



Development of green multimodal transport and low-carbon logistics corridors



Green warehousing and emission reduction in inland transportation



03

E1-1 16

Investment and Financing Plan

Between 2025 and 2030, the Company plans dedicated capital expenditure of EUR 272 million, primarily allocated to investments in green fleet development and energy efficiency improvement projects. This investment will be reflected in the Company's key performance indicators (KPIs) aligned with the EU Taxonomy, particularly in capital expenditure (CapEx).

04

E1-1 16

Locked-in Emissions and Transition Risk Management

Based on a qualitative assessment of the potential "locked-in emissions" associated with certain high-efficiency vessels within the existing fleet, and supported by a clearly defined fleet renewal plan and a roadmap for green fuel substitution, the Company has determined that such potential locked-in emissions will not jeopardize its long-term emission reduction targets. These risks have been fully incorporated into the Company's transition risk management processes.

05

E1-1 16

Alignment with the EU Taxonomy

The Company is systematically assessing the alignment of its economic activities with the EU Taxonomy. At present, certain capital expenditures and operating expenditures in areas such as green vessel leasing and energy efficiency retrofits have preliminarily met the Taxonomy's technical screening criteria.

06

E1-1 16

Implementation Progress

COSCO SHIPPING (Europe) has achieved substantial progress across multiple areas:

◆ **Emission Reduction Performance:**

As of the end of 2025, Scope 1 emissions of TRASGO decreased by 5.5% compared to 2023.

◆ **Energy Efficiency Improvements:**

COSCO Shipholdings (UK) Co., Limited improved overall fleet energy efficiency by more than 10% in 2025 compared to the 2021 baseline. Meanwhile, MML's truck fleet in the UK achieved approximately an 8% improvement in energy efficiency through continuous optimization, effectively reducing carbon emissions.

◆ **Business Scale:**

Following optimization of the Piraeus-Balkans/Central and Eastern Europe green sea-rail corridor, Ocean Rail Logistics S.A. reached a peak frequency of over 30 weekly sea-rail intermodal services.

E1-2

Policies Related to Climate Change Mitigation and Adaptation

We have identified the following material climate-related risks and opportunities and have formulated corresponding management policies.

Table: Identification of Material Climate-Related Risks and Opportunities

Type	Risk/Opportunity	Description	Assessment Period	Likelihood	Financial Impact	Response measures
Transition risk	Impact of carbon taxation policies	The EU ETS increases compliance costs	Short to medium term	High	Medium to high	Green fleet transition; energy efficiency improvements
Transition risk	Energy use regulation	Mandatory EU requirements on energy structure and efficiency	Medium term	High	Medium	Deployment of renewable energy; equipment upgrades
Physical risk	Extreme weather events	Hurricanes and floods may lead to port closures and transport disruptions	Short term	Medium	Medium	Diversified logistics channels; emergency response mechanisms
Physical risk	Chronic climate change	Sea level rise affects port infrastructure	Long term	Low	Medium	Infrastructure adaptation and reinforcement
Opportunities	Digital supply chain	Use of big data and AI to optimize speed and routing, improving energy efficiency	Medium term	Medium	Positive (cost-saving)	Deployment of WMS and TMS systems
Opportunities	Transport network development	Multimodal transport reduces carbon intensity	Medium term	Medium	Positive (revenue growth)	Sea-rail intermodal development; feeder network optimization
Opportunities	Green Products and Services	Low-carbon logistics solutions meet customer demand	Short to medium term	High	Positive (revenue growth)	

01

E1-2 25

Climate Change Mitigation Policies

The Company is committed to systematically reducing greenhouse gas emissions across its own operations and value chain through business model adjustments and technological innovation, thereby promoting the green and low-carbon transformation of logistics and transportation.

◆ Promoting Low-Carbon Transport Modal Shift:

Company policy prioritizes the development of low-carbon transport modes. By advancing the Piraeus Port-centered sea-rail intermodal green corridor and China-Europe railway services (with carbon emissions approximately one-fifth of maritime transport), we replace high-carbon long-haul road transport, structurally reducing the overall carbon footprint of the logistics chain from the network design stage.

◆ Investment in Zero- and Low-Carbon Technologies and Fuels:

In maritime transport, we invest in future-oriented green vessels, such as newly built methanol dual-fuel container feeder ships. On the landside, we promote electrification of terminal equipment, actively deploy new energy trucks for last-mile delivery, and utilize photovoltaic power generation and electric forklifts in warehouses to reduce operational carbon intensity.

◆ Enhancing Energy Efficiency:

Energy efficiency improvement is embedded throughout the lifecycle management of both the fleet and land transport vehicles. In asset renewal, we strictly implement energy-efficiency-first procurement standards and introduce lifecycle carbon emission assessment models to ensure that newly acquired vehicles and equipment meet industry-leading efficiency benchmarks.

◆ Investment in and Procurement of Green Energy:

Through systematic capital investment and green procurement policies, we continue to expand the large-scale application of renewable energy in operations, including both on-site generation and external green electricity procurement.

◆ Green Procurement and Supply Chain Management:

Environmental performance, carbon management capability, and the application of green technologies are key criteria in selecting trucking service providers, warehouse operators, and logistics partners. These measures incentivize and guide the entire upstream and downstream value chain toward green and low-carbon transformation.

◆ Strategic Investment and Green Product Development:

Capital allocation is directed toward green technology innovation and low-carbon infrastructure. Leveraging these green assets, we proactively develop customized low-carbon logistics products and solutions for customers, transforming our climate actions into tangible emission reduction outcomes for clients while creating both environmental and commercial value.

◆ Employee Training, Public Communication, and Brand Building:

Through internal and external communication channels and branding initiatives, we actively promote our green concept and best practices, enhancing employee engagement and public awareness.

02

E1-2 25

Climate Change Adaptation Policies

To address physical risks (such as extreme weather events) and related transition risks arising from climate change, we have established adaptation policies aimed at enhancing the resilience of operations and supply chains.

◆ Building Diversified Logistics Channels:

We actively develop sea-rail intermodal transport and corridor infrastructure to reduce reliance on single maritime routes, effectively mitigating the risk of transport disruptions caused by extreme weather events or geopolitical crises in specific regions.

◆ Investing in High-Standard Green Infrastructure:

New infrastructure projects adopt high-level environmental certification standards and distributed energy systems to enhance resilience against climate-related stress.

E1-3

Actions and Resources Related to Climate Policies

To implement our climate policy objectives and systematically manage climate-related risks and opportunities, we have developed and executed the following key actions and allocated corresponding resources.

01 Low-Carbon Vessel Operations

To implement our climate policy objectives and systematically manage climate-related risks and opportunities, we have developed and executed the following key actions and allocated corresponding resources.



Case COSCO Shipholdings (UK) Co., Limited: Optimizing vessel operations to accelerate maritime decarbonization

COSCO Shipholdings (UK) Co., Limited has actively advanced green and low-carbon vessel optimization by implementing systematic energy efficiency improvement measures across its container fleet. While ensuring regulatory compliance, these efforts contribute continuously to emission reduction. Measures include optimizing main engine operations, rational control of speed and power, improved voyage planning, enhanced maintenance, propeller polishing, and hull cleaning, all of which improve fuel efficiency. In addition, energy efficiency monitoring systems have been introduced to dynamically track energy consumption and carbon emissions, enabling refined operational management.

As a result of continuous optimization, overall fleet energy efficiency has improved year by year, significantly reducing fuel consumption and carbon intensity. All vessels meet or exceed the requirements of the Carbon Intensity Indicator (CII), with some vessels achieving a "B" rating, thereby enhancing energy utilization and carbon management performance during the operational phase.

02

Multimodal Transport and Route Optimization

As of the end of 2025, the proportion of multimodal transport (rail and water) in medium- and long-distance cargo transportation increased by 3 percentage points, optimizing transport structure and reducing carbon intensity per unit of transport. The emission reduction was approximately 1,100 tCO₂e in 2025.



Case Ocean Rail Logistics S.A.: Building a new paradigm for low-carbon and efficient intermodal transport

With the Port of Piraeus as a core hub, Ocean Rail Logistics S.A. has systematically increased the share of sea-rail intermodal transport, reducing reliance on long-distance road transport. Through centralized process management and resource integration, it has established an efficient and low-carbon logistics network covering Central and Eastern Europe and the Balkans. Over 20 mixed-train routes have been developed, covering more than 10 destinations across the region. Weekly services on core corridors have reached over 30 round trips, with transit times reduced to 7–10 days to major Central and Eastern European countries. This effectively fills gaps in pan-European inland intermodal corridors and significantly reduces carbon emissions per unit of transport, from 120 kg per container for road transport to 72 kg, representing a 40% reduction.



03

Fleet Energy Transition

In 2025, the Company invested EUR 341,400 to pilot the deployment of two new energy trucks, which are fully electric. This initiative directly reduces Scope 1 greenhouse gas emissions, with these new energy trucks cutting approximately 18 tonnes of CO₂ equivalent emissions in 2025.



Case Newman Shipping & Agency Co N.V.: Electric trucks supporting green supply chain transport service

In 2025, Newman deployed a fleet of fully electric trucks in Belgian port areas to provide last-mile container drayage services. By the end of December 2025, the company had completed 2,200 TEUs of container transport and achieved a freight turnover of 111,500 TEU-kilometers. Compared with traditional diesel trucks, this initiative achieved net-zero carbon emissions in road transport, reducing CO₂ emissions by approximately 18 tonnes, while also delivering significant environmental benefits in noise reduction and energy efficiency.



Case Trasgo S.r.l.: Achieving both emission and cost reductions through integrated decarbonization measures

Since 2024, Trasgo has implemented a series of carbon-reduction measures, including stricter fuel-management standards, optimized logistics routes, intelligent fuel-monitoring systems, pilot programs for electric-trucks, and data-driven environmental-performance management. Currently, 60 trucks are included in the program, covering all transport routes. In 2025, its Scope 1 emissions decreased to 3,920 tonnes of CO₂e, representing a 5.5% reduction compared to 2024, while operating costs decreased by approximately 5.2%.



04

Green Electrification of Warehousing Facilities

In 2025, rooftop photovoltaic systems were installed at 1 core hub warehouse, covering 50% of annual electricity consumption, with annual operating costs of approximately EUR 47,000. This is expected to reduce Scope 2 emissions by approximately 63 tCO₂e.



Case COSCO SHIPPING Crystal Logistics (UK) Co., Ltd.: Green smart flagship warehouse achieving 40% emission reduction

To address climate change, COSCO SHIPPING Crystal Logistics (UK) Co., Ltd. constructed an 11,000 m² green smart warehouse at the London Gateway Freeport. Equipped with photovoltaic systems, electric forklifts, and intelligent management systems, the project achieved a 40% reduction in operational carbon emissions and was awarded a BREEAM "Outstanding" rating, significantly advancing green, low-carbon, and digital logistics supply chain capabilities.



E1-4

Climate Mitigation and Adaptation Targets

01

E1-4 33

Greenhouse gas emission reduction targets

The Company actively responds to the EU "Fit for 55" package and the 2050 climate neutrality target, while also supporting China's "30-60" Dual-Carbon Goals. Through initiatives such as fleet energy efficiency improvements, green fuel substitution, multimodal transport optimization, and renewable energy application, we are committed to advancing greenhouse gas emission reductions across the entire value chain. The Company will establish quantified emission reduction targets in due course, taking technological progress and evolving market conditions into account.

E1-5

Energy Consumption and Mix

01

E1-5 36

Total Energy Consumption and Structure

Total Energy Consumption and Energy Intensity

Total annual energy consumption (absolute): 19,106.76 MWh.

Energy intensity (calculated in alignment with the revenue scope of transportation and warehousing activities in the Company's financial statements): 19.52 MWh per EUR million of net operating revenue.

Energy Consumption Structure

Indicator	Consumption (MWh)	Share
Total energy consumption	19,106.76	100.00%
Fossil energy consumption	19,000.09	99.44%
Fuel oil	18,273.45	95.64%
Gasoline	207.51	1.09%
Diesel	18,065.95	94.55%
Gaseous fuels	331.79	1.74%
Liquefied Petroleum Gas (LPG)	187.40	0.98%
Natural gas	144.39	0.76%
Electricity and heat derived from fossil fuels	394.85	2.07%
Renewable energy consumption	106.67	0.56%

E1-6

Scope 1, 2 and 3 Greenhouse Gas Emissions and Total Emissions

Indicator		2025
Scope 1 GHG emissions	Scope 1 GHG emissions (total-based, tCO ₂ e)	4,469
Scope 2 GHG emissions	Scope 2 GHG emissions (location-based, tCO ₂ e)	61
Total greenhouse gas (GHG) emissions (tCO ₂ e)		4,530
Scope 1 GHG intensity (tCO ₂ e / EUR 10,000)		4.56
Scope 2 GHG intensity (tCO ₂ e / EUR 10,000)		0.06
Total GHG intensity (tCO ₂ e / EUR 10,000)		4.63

Note: The reporting boundary covers Scope 1 and Scope 2 emissions, with the physical boundary encompassing all European operations of the Company. Greenhouse gases include CO₂, CH₄, N₂O and other relevant gases.

E1-7

Greenhouse Gas Removals and Reduction Projects Financed through Carbon Credits

01

E1-8 56/58

In-value-chain GHG removals and reductions

During the reporting period, the Company directly contributed to greenhouse gas reductions through investments in and implementation of low-carbon projects across its upstream and downstream value chain, as detailed in the Actions and Resources section.

02

E1-8 56/59

Out-of-value-chain projects financed through carbon credits

During the reporting period, the Company did not offset its operational emissions through the purchase and cancellation of carbon credits. Decarbonization efforts are focused on source reduction and process optimization, and no contractual commitments for future carbon credit cancellations have been entered into.

E1-8

Internal Carbon Pricing

The Company has not yet formally implemented an Internal Carbon Pricing (ICP) mechanism but has initiated related research and planning. Going forward, carbon costs are expected to be incorporated into financial models and decision-making processes, and linked with internal incentive mechanisms to strengthen the execution of climate actions.

E1-9

Expected Financial Effects of Material Physical Risks and Transition Risks, and Potential Climate-related Opportunities

01

E1-9 64/66

Expected financial effects of material physical risks

Certain regions in Europe where the Company operates are exposed to risks such as earthquakes and flooding, which may damage logistics assets and disrupt operations. The Company has established post-disaster financial impact assessment procedures to support insurance claims and business recovery.

02

E1-9 64/67

Expected financial effects of material transition risks

The Company faces significant transition risks arising from increasingly stringent carbon regulations issued by the EU and the IMO, including the EU Emissions Trading System (EU ETS) and FuelEU Maritime. These regulations introduce carbon pricing mechanisms that substantially increase compliance costs for carbon-intensive operations and may lead to asset impairment risks for those unable to transition promptly.

03

E1-9 64/69

Potential financial benefits of material climate-related opportunities

In addressing climate challenges, the Company has successfully identified and captured new business opportunities, primarily reflected in cost savings and revenue growth.

◆ Cost Savings:

Through energy efficiency improvement projects for vessels and fleets, data-driven energy management, and investment in warehouse photovoltaic systems, the Company has directly reduced fuel and energy procurement costs, achieving significant operational expense savings.

◆ Revenue Growth:

The Company keenly responds to customer demand for green supply chains, transforming its low-carbon transition into a core competitive advantage. Currently, low-carbon logistics solutions (such as pure electric truck transportation and sea-rail intermodal transport) are becoming new sources of revenue for the Company.



2 Pollution (E2)

Based on the results of the double materiality assessment in Volume 1, the material topics related to Pollution (E2) are shown in the table below.

Material topics	Content	Placement	Period	Impact
Air pollution	<p>This topic concerns the impact of the Company's land transport and warehousing operations on regional air quality. Pollutants such as nitrogen oxides (NOx), non-methane volatile organic compounds (NMVOCs), carbon monoxide (CO), and fine particulate matter (PM2.5) emitted by the owned truck fleet during transportation pose potential risks to air quality and public health in port areas and communities along transport routes. We systematically manage air pollutant emissions through the "Green Fleet" strategy, pilot application of electric trucks, optimization of transport routes, and "Green Driving" training, continuously reducing the impact of operations on air quality.</p>	Own operations and value chain	Long term	Negative impact, financial risk
Water pollution	<p>This topic focuses on the potential impact of the Company's logistics, warehousing, and office operations on surrounding water bodies. We primarily worked on identifying drainage and leakage risks in land transport and warehousing scheduling related to activities such as chemical storage and vehicle washing. By deploying anti-seepage and leak-proof facilities at key sites, strengthening vehicle maintenance and safety inspections, and implementing management for compliant discharge of domestic sewage, we systematically prevent surface water and groundwater pollution, ensuring business operations comply with local environmental regulations.</p>	Own operations and value chain	Long term	Negative impact, financial risk

E2-1

Policies Related to Pollution

To effectively manage material impacts, risks, and opportunities related to pollution, we implement relevant pollution prevention and control policies in the European region. The Board of Directors bears ultimate oversight responsibility for pollution-related risks and authorizes management to be responsible for the daily implementation, monitoring, and reporting of these policies.

E2-1 14

01 Policy Objectives and Core Principles

We adhere to the principle of prevention over remediation. Through systematic management, advanced technology, and continuous improvement, we are committed to achieving:

- ◆ **Zero major pollution incidents.**
- ◆ **Continuously reducing the emission of our operational activities on the environment.**
- ◆ **Ensuring compliant and responsible management of all pollutants.**
- ◆ **Seizing opportunities arising from the transition to a green, circular economy.**

E2-1 15

02 Specific Policies and Implementation Measures

To address the material impacts, risks, and opportunities related to pollution, we have adopted the following specific policies and measures in our operations and across the upstream and downstream value chain:

Prevention and Control of Air Pollution

Formulate and implement a "Green Fleet" strategy, prioritizing the use of low- or zero-emission vehicles, and optimizing transport routes to reduce empty runs.

Prevention and Control of Water Pollution

Implement strict leakage prevention measures at all warehousing and maintenance sites, including secondary containment systems, regular leakage inspections, and ensuring the safe storage and handling of hazardous chemicals.

Prevention and Management of Accidents and Emergencies

Prevention

Conduct regular risk assessments and hazard identification, and provide mandatory safety and emergency response training to relevant employees.

Emergency Response

Develop, maintain, and regularly drill the Safety Emergency Response Plan to ensure rapid and effective control, cleanup, and notification in the event of an incident, thereby limiting its negative impact on the environment and the community.

E2-2

Pollution-related Actions and Resource Allocation

We are committed to minimizing the negative environmental impact of our operations across core business segments such as freight forwarding, trucking, rail transport, air freight, and warehousing, focusing on source prevention, process control, and end-of-pipe remediation.

E2-2 19

01

Source Prevention Measures

Green Procurement Policy

We have established a supplier REACH compliance management mechanism to ensure that purchased packaging materials, lubricants, cleaning agents, and warehouse consumables meet the *requirements of the EU's Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)*. Suppliers must provide substance composition declarations and commit to not containing substances of very high concern (SVHCs) above threshold limits.

Equipment and Infrastructure Planning

When constructing new or renovating warehousing facilities and transport fleets, priority is given to planning and using technologies and equipment with low environmental impact that do not require harmful antifreeze or refrigerants.

Service Solution Optimization

We actively promote and prioritize arranging transport solutions with lower carbon emission intensity per unit of cargo, such as sea-rail multimodal transport, aiming to avoid unnecessary transport mileage and potential pollution from the logistics route design stage.

E2-2 19

02

Process Control and Minimization

Fleet Management and Technology Upgrades

We continuously use truck fleets that comply with the latest emission standards such as the EU's Euro 6/VI and Euro 7 standards, and implement emission reduction technical retrofits on existing vehicles. We also promote the use of zero-emission equipment like electric forklifts in distribution centers.

Dangerous Goods and Special Cargo Management

We establish and strictly implement an environmental management system compliant with the ISO 14001 standard, and enforce closed-loop management and monitoring throughout the process for dangerous goods such as batteries and chemicals during transport and warehousing, ensuring their packaging, storage, and handling meet the requirements of Best Available Techniques (BAT) to prevent leakage.

Operational Efficiency Improvement

We optimize route planning through the transport management system to reduce empty mileage; promote "Green Driving" training to lower fuel consumption and exhaust emissions. In addition, we implement energy-efficient lighting and rainwater harvesting systems in warehouses to reduce resource consumption and indirect pollution.

Waste Segregation and Management

We implement strict waste segregation at all operational sites to ensure compliant treatment of office waste, recyclables, and hazardous waste (such as used batteries and waste oil).

E2-3

Pollution-related Targets

To support the pollution prevention and control policies and effectively manage related impacts, risks, and opportunities, we have set the following pollution-related targets.

01

E2-3 23

Specific Pollution-related Targets

Atmospheric Pollutant Reduction Targets

The Company is committed to continuously reducing the emission intensity of atmospheric pollutants such as nitrogen oxides and particulate matter from its proprietary truck fleet through energy efficiency upgrades, electrification transition and operational optimization, thereby minimizing the impact of its operations on regional air quality.

Water Pollutant Prevention Targets

Target Disclosure	2025 Baseline Value	2030 Target Value	2050 Target Value	Description
Number of leakage incidents with environmental impact	0	0	0	Leakage incidents with environmental impact caused by poor management.

Note: We are striving to achieve zero leakage incidents with environmental impact caused by poor management in operational processes in future years.



Air, Water, and Soil Pollution Status

01 Air Pollutants and Their Specific Emissions

Air Pollutant Category	2025 Emissions(t)	Main Emission Source	Treatment Measures
Nitrogen oxides (NOx)	2.2	Transportation vehicles	Energy efficiency improvement and electrification transformation
Non-methane volatile organic compounds (NMVOCs)	1.13	Transportation vehicles	Energy efficiency improvement and electrification transformation
Carbon monoxide (CO)	1.38	Transportation vehicles	Energy efficiency improvement and electrification transformation
Fine particulate matter (PM2.5)	0.01	Transportation vehicles	Energy efficiency improvement and electrification transformation

Note: Data statistics cover the Company's owned and controlled truck transport fleet (Scope 1).

02 Water Discharge Pollutants and Their Specific Emissions

The Company currently owns 7 vessels, all leased out under time charter arrangements, with operation management, route planning, and daily environmental emission control of these vessels independently handled by the lessees. The Company will continue its water protection and pollutant control work within the scope of its directly managed operational activities. It will also continuously monitor the environmental management performance of lessees to promote green and compliant governance standards.

E2-5

Substances of Concern and Substances of Very High Concern

As a logistics and supply chain service provider, we are not a manufacturer of substances of concern (SOCs) or substances of very high concern (SVHCs). Our primary focus is on the management of dangerous goods such as flammable liquids, corrosive substances, and chemicals during the transportation process for our clients. We aim to prevent leaks and reduce potential risks to health and the environment through strict operational procedures.

01 Management of Substances of Concern in Customer Goods

The Company strictly adheres to the *International Maritime Dangerous Goods Code* (IMDG Code) and the *European Agreement concerning the International Carriage of Dangerous Goods by Road* (ADR), implementing full-process control for dangerous goods like chemicals and batteries entrusted by customers for transport. Key management measures include:

- **Reviewing the Safety Data Sheet (SDS) and dangerous goods declaration documents before transportation**
- **Implementing leak and pollution prevention operating procedures during warehousing and transportation**
- **Developing emergency response plans and conducting regular leak incident drills**

02

E2-5 33

Risk and Opportunity Management

Risks

Leaks or accidents involving containers holding these substances during transportation or warehousing could impact employee health, public safety, and the environment. Furthermore, tightening regulations may increase transport restrictions and compliance costs for specific customer goods.

Opportunities and Actions

By implementing a "Green Procurement Policy", we avoid SVHCs in our own operations at the source. Through a stringent "Dangerous Goods and Special Cargo Management" system, we ensure all SOCs are handled safely and compliantly throughout the entire logistics chain, thereby winning more customer trust and creating a competitive advantage.

E2-6

Expected Financial Impact of Pollution-related Effects, Risks, and Opportunities

01

E2-6-38/39

Expected Financial Impact of Material Pollution-related Risks

Compliance and Transition Risks

The EUs "Zero Pollution Action Plan" and increasingly stringent environmental regulations in various countries may lead to the upgrading of fleet emission standards, stricter environmental permit conditions for warehousing operations, and an expanded scope of regulations concerning microplastics and SVHCs.

Expected Financial Impact:

Capital Expenditure

As environmental emission standards in the EU and local markets evolve, the Company will assess fleet renewal plans in a timely manner based on vehicle service life and compliance requirements. Given this, capital expenditure may be required in the future to procure more energy-efficient transport equipment, so as to maintain the compliance, competitiveness and operational efficiency of the assets.

Operational Expenditure

It is anticipated that management inputs in areas such as supply chain environmental due diligence, product eco-attribute certification, and waste treatment will show a normalized increase in the future.

Physical and Liability Risks

The risk of environmental pollution incidents such as chemical leaks or fuel spills during operations.

Expected Financial Impact:

Operational and Capital Expenditure

During the reporting period, the company's expenditure on safety insurance was EUR 1,628,000. Should a major incident occur, associated cleanup costs, fines, and third-party compensation could have a significant negative impact on cash flow in the short term.

02

E2-6 38/39

Expected Financial Impact of Material Pollution-related Opportunities

Green Services and Market Opportunities

The growing market demand for green logistics solutions presents opportunities to promote low-pollution/zero-pollution transport modes (e.g. rail, multimodal transport) and environmentally friendly warehousing services.

Expected Financial Impact:

New low-carbon solutions, such as the electrification transformation of transport means, are expected to attract premium customers, leading to revenue growth. In addition, leading performance in pollution prevention and control helps enhance brand image and strengthens competitiveness in bidding and pricing.

Resource Efficiency and Innovation Opportunities

Impact Description: Pollution prevention measures (e.g. fleet optimization, waste reduction) directly lower operational costs.

Expected Financial Impact:

Operational Expenditure Savings

Through pilot projects involving electric trucks and route optimization, the Company expects to effectively reduce energy consumption and operating costs in the medium and long term, and mitigate the impact of fuel price fluctuations on its financial performance.



3 Water and Marine Resources (E3)

Based on the double materiality assessment results in Volume 1, the material topics related to Water and Marine Resources (E3) are shown in the table below.

Material topics	Content	Placement	Period	Impact
Marine resources	Increasingly stringent marine environmental regulations (e.g. on emissions and ballast water standards) will raise associated compliance costs, and the impact may be passed through the logistics supply chain. If the Company's chartered-out vessels fail to strictly adhere to emission or ballast water standards, it may face reputational and co-management risks. The Company shall strengthen compliance supervision of vessel lessees, promote green shipping cooperation and environmentally friendly transport practices, protecting marine resources.	Own operations and value chain	Long term	Negative impact, financial risk

E3-1

Management Policies Regarding Significant Impacts, Risks, and Opportunities Related to Water and Marine Resources

We place high importance on marine environmental protection in our business operations. We strictly adhere to and urge vessel lessees to comply with international maritime conventions such as the *International Convention for the Control and Management of Ships' Ballast Water and Sediments* (BWM Convention) and the *International Convention for the Prevention of Pollution from Ships* (MARPOL Convention). Furthermore, we implement environmental requirements through contracts and regular communication mechanisms. The Board of Directors is responsible for policy oversight, while various business departments are responsible for specific implementation. Awareness of marine environmental responsibility is reinforced through employee and partner training.

E3-1.12

01 Specific Policy Content and Practices

Water Management

We have established a shipboard water monitoring system, optimizing equipment cleaning procedures and promoting water-saving facilities to continuously reduce freshwater consumption. All vessels are equipped with domestic sewage treatment devices to ensure compliant discharge. We strictly implement a "zero discharge" policy for pollutants such as oily water and waste.

Investment is made in advanced ballast water treatment systems to effectively prevent the introduction of invasive species. Through refined operational management, we strive to minimize pollution risks to the marine environment from vessel activities.

Sustainable Products and Services

We actively develop green shipping solutions, including advancing projects for the construction of methanol-dual-fuel vessels.

Full-chain Management

We commit to implementing special management measures in operational areas facing water risks. The Aqueduct tool from World Resources Institute (WRI) is regularly used to assess water stress conditions at ports. Our water management policy extends across the entire value chain. Specifically, we not only manage our own operational water use but also collaborate with suppliers and partners to jointly set water conservation targets and share best practices, aiming to reduce the physical water footprint and enhance overall water resource resilience throughout the supply chain network.

02

E3-1-13

Management in High Water Stress Areas

According to assessments using the WRI's Aqueduct water risk tool, all of the Company's major operational sites (including offices, warehouses, and terminals) are not located in "High" or "Extremely High" water-stress areas. The Company's current *Sustainable Water Resources and Marine Protection Management Policy* comprehensively covers all operational sites in Europe. We will continuously monitor changes in water risks associated with the expansion of our operational network. Every two years, we will reassess water risks at project locations using the WRI's Aqueduct tool to ensure our policies and management measures can timely and effectively respond to emerging water stress risks.

E3-2

Actions and Resources Related to Water and Marine Resources

The company requires vessel lessees to strictly comply with the requirements of the BWM Convention, ensuring the installation of approved ballast water management systems to effectively prevent the invasion of alien aquatic species. The company also mandates that lessees strictly implement the "zero discharge" policy for oily water, utilizing efficient oil-water separation equipment to prevent pollution of marine ecosystems, especially coastal breeding grounds and aquaculture areas, by nutrients and petroleum-based substances.

E3-3

Targets Related to Water and Marine Resources

01

E3-2 20/22

General Description of Targets

To implement the *Sustainable Water Resources and Marine Protection Management Policy*, we have set the following quantitative targets to track the effectiveness of our policies and the progress of actions regarding water resource efficiency and marine environmental protection.

02

E3-2 23

Targets for Water Risk Management and Water Quality Improvement

We commit that, on the basis of continuously ensuring 100% compliant treatment and discharge of wastewater from all operational sites, we will achieve a 10% reduction in the concentration of key pollutants in wastewater discharged from critical sites located in water-sensitive areas (particularly ports and major logistics hubs) by 2030, compared to the 2025 baseline level.

03

E3-2 23

Targets for Reducing Water Consumption and Associated Water Risk Areas

Using 2025 as the baseline year, we aim to reduce the water withdrawal per unit area for our owned warehouses and office facilities by 10% by 2030.



E3-5

Expected Financial Impact of Material Risks and Opportunities Related to Water and Marine Resources

E3-5 30/32

01

Expected Financial Impact of Risks Related to Water and Marine Resources

Transition risks associated with water and marine resources, particularly increasingly stringent environmental regulations, are currently the primary source of financial risk.

- **Increased Compliance Costs:**

The EU ETS and the FuelEU Maritime regulations are dramatically increasing the compliance costs of high-carbon operations.

- **Asset Stranding Risk:**

High-emission fleets may face asset impairment due to an inability to meet future environmental standards.

- **Incident Liability Risk:**

Marine pollution incidents can trigger massive cleanup costs, fines, and compensation, causing significant shocks to cash flow.

E3-5 30/32

02

Expected Financial Impact of Opportunities Related to Water and Marine Resources

The Company transforms challenges into competitive advantages, capturing opportunities in green finance and market through forward-looking investments.

- **Cost Savings:**

Investing in green methanol-powered vessels to avoid massive future compliance costs.

- **Revenue Growth:**

Green shipping solutions (such as methanol-dual-fuel vessels) meet customer demand for low-carbon supply chains and are expected to generate new revenue streams.

- **Financing Advantage:**

Green projects are more likely to secure green financial support, thereby reducing financing costs.



03

ESRS Social(S)

- Own Workforce (S1)
- Workers in the Value Chain (S2)
- Affected Communities (S3)





List of Material Social Topics

Material topics	Content	Placement	Period	Impact
Working conditions of the internal workforce	<p>Ensuring safe, healthy, and dignified working conditions for employees helps enhance job satisfaction and productivity, reduces operational risks, and consolidates the Company's reputation as a responsible employer.</p> <p>The Company strictly implements local occupational health and safety regulations and strengthens all-staff safety responsibility awareness through regular training.</p>	Own operations and value chain	Long term	Positive impact
Equal treatment and equal opportunities	<p>Ensuring equal treatment and equal opportunities for employees helps attract and retain diverse talent, stimulates innovation, enhances team cohesion, and builds the Company's reputation for fairness and inclusion.</p> <p>The Company follows anti-discrimination regulations, establishes fair and transparent mechanisms in recruitment, compensation, and promotion, and fosters an inclusive environment through diversity training.</p>	Own operations and value chain	Long term	Positive impact
Other work-related rights	<p>Protecting employees' core rights such as privacy and freedom of association helps build highly trusted labor relations, increases employees' sense of belonging and organizational stability, thereby reducing long-term operational risks and strengthening the Company's social image of respecting human rights.</p> <p>The Company strictly complies with local laws to systematically safeguard employees' core rights, including privacy, freedom of association, and collective bargaining.</p>	Own operations and value chain	Long term	Positive impact
Other work-related rights of value chain workers	<p>Ensuring the protection of value chain workers' rights safeguards brand reputation and reduces supply chain compliance risks.</p> <p>Through the Supplier Code of Conduct and audits, the Company promotes business partners to implement the protection of core rights for their employees, such as freedom of association and privacy.</p>	Own operations and value chain	Long term	Positive impact
Economic, social and cultural rights of communities	<p>Systematically promoting local employment, economic development, and cultural protection helps establish stable community relations and ensures smooth long-term operations.</p> <p>The Company continuously builds mutually beneficial relationships with operational communities by prioritizing local procurement, supporting the development of SMEs, and respecting local cultures.</p>	Own operations and value chain	Long term	Positive impact
Protection and safeguarding of the rights of indigenous peoples	<p>Respecting and supporting the civil and political rights of indigenous peoples helps establish transparent and trusting community relations, reduces the risk of social conflict in operations, and lays the foundation for smooth project implementation and long-term stable operation.</p> <p>The Company proactively communicates before major projects through the establishment of open information disclosure and consultation mechanisms, safeguarding the right to know and the right to participation of indigenous peoples, systematically building responsible community engagement practices.</p>	Own operations and value chain	Long term	Positive impact

1 Own Workforce (S1)

S1-1

Policies Related to the Company's Workforce

The term "employee" in this Report refers to workers who have directly signed a labor contract with the Company.

We are committed to establishing workforce policies in line with international standards, creating a safe, inclusive, equal, caring, and personally fulfilling work environment for all employees, and effectively managing material impacts, risks, and opportunities related to our own workforce.

S1-1 20/21/23

01

Policy Commitments, Scope of Coverage, and Alignment with International Standards

Our workforce policies maintain a high degree of consistency with the *United Nations Guiding Principles on Business and Human Rights* (UNGPs), the *ILO Declaration on Fundamental Principles and Rights at Work*, and the *OECD Guidelines for Multinational Enterprises*.

Respect for Human Rights

The policies explicitly prohibit and prevent any form of forced labour, compulsory labour, child labour, and human trafficking. Relevant clauses are incorporated into the Employee Handbook:

- During the employee recruitment process, the Company strictly implements nationality and residence permit verification systems to eliminate illegal immigration and child labour at the source.
- (Labour hour regulations are strictly enforced. Rules regarding sick leave, vacation, and working hour recording are clearly defined in the Employee Handbook. An attendance system is used for strict recording of employee working hours. Employee working hours do not exceed statutory limits, and any special overtime requires prior approval and confirmation from the direct supervisor. For departments not suited to weekend and statutory holiday overtime, special cases involving daily hours exceeding 10 are strictly controlled, and overtime compensation is provided according to standards, either as monetary compensation or time off in lieu.
- Employees are reminded twice a year to utilize their annual leave. Leave deferred due to work reasons becomes void by the end of the first quarter of the following year, as required by the labor laws.

Constructive Engagement

Communication with employees is maintained through channels such as training, team-building activities, performance feedback, and management visits.

Assistance Measures

An institutionalized system of employee care and support is established, providing timely financial and psychological assistance to employees facing difficulties.

02

S1-1 23/24

Concrete Manifestation and Management Practices of the Policies

Workplace Safety and Accident Prevention Management System

We place the lives, safety, and health of our employees as the top priority, establishing a systematic and preventative workplace safety and health management system. Annually, Companycheck, a specialized occupational safety organization, conducts inspections of the Company's office premises for safety and accident prevention management, and the Company rectifies potential risk points in accordance with the report's requirements.



Case

Italian company TRASGO: Achieving dual reductions in emissions and costs through a series of carbon emission reduction measures

In the "Airbus Project", through mandatory safety training, provision of adequate and compliant personal protective equipment (PPE), and internal safety risk communication, we successfully achieved an excellent record of zero personal injury accidents during complex project operations. This achievement fully demonstrates the effectiveness of our safety management system and the high priority we place on the safety and health of frontline employees.

Over 17 years of project operations, our European logistics company has ensured the safety of on-site loading supervisors through measures such as mandatory safety training, full provision of PPE, and irregular internal safety exchanges, with no personal injury incidents occurring.

Diversity, Equity, Inclusion, and Anti-Discrimination Policy

Our policy aims to eliminate all forms of discrimination and harassment, promote equal opportunity, and advance diversity and inclusion. The Company strictly implements Germany's General Act on Equal Treatment (AGG), explicitly prohibiting discrimination based on any grounds such as race, color, gender, sexual orientation, disability, age, religion, political opinion, or social origin.

Localized Leadership Development

We are committed to developing local talent. By the end of 2025, we had cumulatively promoted 14 outstanding local employees to senior management positions at various company levels, including key roles such as CEO and General Manager.

Career Development System

Introduced the European "Dual System" vocational development framework, planning an "Apprentice - Employee - Middle Management" career path for staff in general operational roles, ensuring fair growth opportunities for employees from all backgrounds.

Cross-Cultural Integration

Regularly organizing birthday parties, team-building activities, and cultural celebrations and food experiences during traditional Chinese festivals promotes cross-cultural understanding and integration among employees, fostering a highly inclusive work atmosphere with a participation rate as high as 99%.

**Case Newman Shipping & Agency Co N.V.: Practicing Overseas Social Responsibility through Cultural Integration**

In May 2025, Newman Shipping & Agency Co N.V. in Belgium organized 93 local employees to participate in a dragon boat race jointly held by the Antwerp Chamber of Commerce and the Sports Bureau. Using traditional Chinese culture as a bridge, this event promoted cultural exchange between China and Belgium, enhancing mutual understanding and friendship among the people.

**Case COSCO SHIPPING (Türkiye) & Foreign Trading S.A.: Diverse and Inclusive Culture, Uniting Local Talent**

Given that approximately 99% of Türkiye's population is Muslim, COSCO SHIPPING (Türkiye) & Foreign Trading S.A. has specially established a multi-functional prayer room and accommodates prayer needs in work schedule arrangements, providing comprehensive institutional and cultural support for employees to practice their religious beliefs.

Employee Care, Support, and Engagement Policy**Special Assistance Fund**

Several subsidiaries have established special assistance funds to provide subsidies to employees facing financial difficulties and offer care aligned with local customs for life events such as weddings and funerals, covering over 20 employees to date.

Disability Assistance Fund

The Company annually contributes to a government-administered disability assistance fund, providing special support for rehabilitation treatment to Company employees with injuries, illnesses, or disabilities.

S1-1 17/18/19

03

Talent Development Strategy and Incentive Mechanism**Strategic Talent Acquisition and Development**

We attract top graduates from global institutions through the "European Management Trainee Program". Through university-enterprise cooperations with prestigious institutions (such as the World Maritime University and Hamburg School of Business Administration), we systematically cultivate specialists in key areas like digitalization, supply chain, and green & low-carbon development. The goal is to increase the proportion of such specialists to an industry-leading level within the Company's five-year talent development plan.

Market-Oriented and Performance-Driven Incentive Mechanism:

We actively benchmark against industry standards (e.g. by joining the Spinnaker association) to offer market-competitive compensation. We pilot and promote mechanisms linking local employee compensation to KPIs and implement measures like "customized strategies for core specialists", ensuring employee incentives are closely aligned with the company's strategic objectives, thereby enhancing overall labor productivity.

S1-2

Communication Management Mechanism with Employees

We have established diversified formal and informal communication channels to ensure employees' voices are heard and their concerns are addressed, integrating communication throughout the entire employee lifecycle.

01 Interaction Methods and Coverage

◆ **Direct Communication:**

Collects employee feedback on topics such as working conditions, career development, and health & safety through team meetings, management visits, and employee satisfaction surveys.

◆ **Representative Communication:**

Conducts consultations and communications on major matters through channels such as labor unions, employee representative meetings, and employee participation committees.

02 Interaction Frequency and Stages

◆ **Daily Communication:**

Ongoing through team meetings, management visits, etc.

◆ **Regular Communication:**

Employee satisfaction surveys are conducted every six months; employee representative meetings are held annually.

◆ **Communication on Major Matters:**

Seeks opinions through employee representative channels before matters involving organizational restructuring, major investment decisions, etc.

03 Responsible Functions and Decision Impact

Employee communication is led by the human resources department, with collaboration from various business departments. Employee feedback is incorporated into decision-making in the following ways:

- ◆ Satisfaction survey results are submitted to management for review, and improvement plans are formulated
- ◆ Opinions raised by employee representatives are discussed in relevant specialized committees of the Board of Directors
- ◆ Before decisions on major matters, opinions are collected through employee representative channels and minutes are recorded

04 Communication with Vulnerable Groups

To gain in-depth understanding of the perspectives of specific employee groups (e.g. foreign employees, female employees, employees with disabilities), the Company takes the following measures:

- ◆ Includes specific questionnaires in employee surveys to analyze feedback differences among various groups
- ◆ Understands the needs of specific groups through their representatives on the employee participation committee
- ◆ Establishes dedicated communication channels for specific groups (e.g. Muslim employees)

05 Effectiveness Evaluation

The company evaluates the effectiveness of the communication mechanism through the following methods:

- Participation rate in employee satisfaction surveys and trends in scores
- Resolution rate of issues raised in employee representative meetings
- Usage of grievance channels and satisfaction with their handling

S1-3

Remediation Processes and Grievance Channels

01 General Methods and Processes for Remediating Negative Impacts

With the core principles of "proactive prevention and rapid response", the Company has established a comprehensive system for safeguarding employee rights and providing remediation, covering safety, health, well-being, and emergency response. The Company has set up a special employee assistance fund to provide reviewed financial grants to employees affected by significant personal or family economic hardships, forming a formal remediation mechanism for negative situations not directly caused by work but severely impacting employees' lives. In the face of external major crises such as natural disasters, the Company immediately activates a special employee care plan, providing affected employees with comprehensive support including financial aid, psychological support, and necessary arrangements, thereby systematically mitigating the negative impacts caused by the crisis.

02 Grievance/Complaint Channels and Handling Mechanism

Daily Communication Channels

Collect employee feedback on work conditions, career development, and other topics through team meetings, management visits, employee satisfaction surveys, etc.

Reporting/Complaint Channels

The Company has established a structured internal reporting mechanism covering all personnel for receiving reports concerning major issues such as violations of laws/regulations and misconduct. The specific content of this mechanism (including reporting avenues, investigation procedures, whistleblower protection measures, etc.) is detailed in Section 1.1.2 in the "Governance" of this Report.

03 Issue Tracking, Monitoring, and Ensuring Channel Effectiveness

The effectiveness of the aforementioned processes is continuously evaluated and optimized through methods such as long-term safety records, closed-loop management of assistance cases, and regular employee feedback.

S1-4

Management of Material Impacts, Risks, and Opportunities

S1-4 38

01

Actions to Prevent or Mitigate Material Negative Impacts

For identified material negative impacts, we have implemented the following preventive and mitigation measures:

Type of Negative Impact	Preventive/Mitigation Measures
Prevention and control of occupational health and safety risks	Establish an occupational health and safety management system; annual inspections by professional agencies; mandatory safety training; provision of PPE
Risks of forced labor and child labor	Implement nationality and residence permit verification during recruitment; prohibit illegal employment
Risks of excessive working hours	Record working hours via attendance system; special overtime requires supervisor approval; compensation provided according to standards
Risks of discrimination	Strictly implement Germany's General Act on Equal Treatment (AGG); prohibit discrimination on any grounds

S1-4 40

02

Remedial Actions Addressing Material Negative Impacts

When identified negative impacts actually occur, we take the following remedial measures:

Workplace Injuries

Immediately initiate accident investigation, provide medical support and work injury insurance claims; optimize operational procedures based on investigation findings

Financial Hardship

Provide reviewed financial grants through the special assistance fund

Impact of Natural Disasters

Activate the special employee care plan, providing financial aid, psychological support, and necessary arrangements

Discrimination or Harassment Incidents

Receive complaints through the whistleblower protection mechanism; investigations conducted by the "Neutral Office"; disciplinary actions and remediation implemented for verified incidents

S1-4 41

03

Engaging with Employees to Determine Remedial Measures

The process of formulating remedial measures fully considers the opinions of affected employees:

Workplace Injuries

Communicate with employees during accident investigations to understand the causes and their needs

Financial Hardship

Employees apply through the special assistance fund, with corresponding grants disbursed after Board review

Discrimination or Harassment Incidents

The whistleblower protection mechanism ensures employees can safely express their concerns. Communication is maintained with the whistleblower during the investigation process.

S1-4 42

04 Tracking Target Effectiveness

Tracking indicators and methods are as follows:

Safety Performance Indicators

Evaluate the effectiveness of safety measures by recording and monitoring the incidence rate of personal injury accidents.

Employee Engagement and Feedback

Assess through activity participation rates, employee satisfaction feedback, and the coverage of care initiatives.

Talent Development Outcomes

Evaluate the effectiveness of talent development actions based on the status of talent pipeline development, the performance of key employees in major tasks, the application of performance appraisal results, and the professional contribution and loyalty of local employees.

Emergency Response Effectiveness

Evaluate the effectiveness of the employee care emergency mechanism based on the scope and timeliness of support provided to employees during crises.

S1-5

Target System for Material Impact Control and Risk Management

ESRS 2 MDR-T

01 Summary of Targets

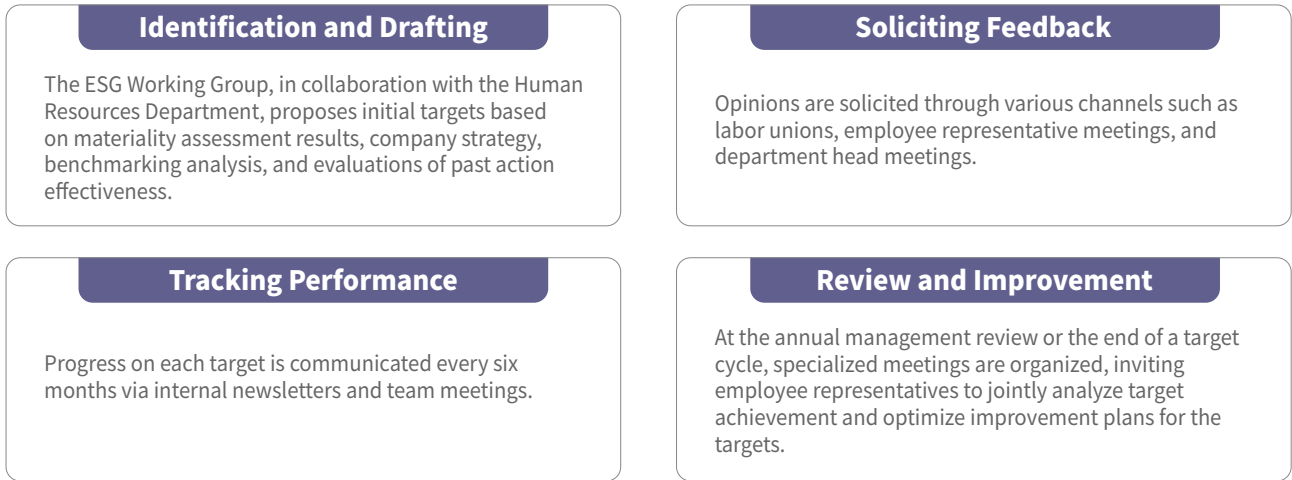
To systematically manage material impacts, risks, and opportunities related to its own workforce, the Company has set the following time-bound, outcome-oriented targets.

Aspect	Performance Indicator	Unit	2026	2030
Employee engagement	Employee engagement	%	≥ 80	≥ 80
Diversity	Proportion of women in middle and senior management	%	≥ 25	≥ 35
Health and safety	Lost Time Injury Frequency Rate (LTIFR)	Ratio	≤ 15.5	≤ 10.8



02 S1-5-46 Target Setting and Communication Process

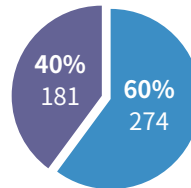
The target-setting process emphasizes participation and materiality:



S1 Disclosure Data

Table 1: Employee Count by Gender

Gender	Number of Employees	Share	Number of Exit Employees	Employee Turnover Rate
Male	274	60%	24	9%
Female	181	40%	17	9%
Total	455	100%	41	9%



Number of Employees

- Male
- Female

Table 2: Employee Count by Country/Region

Country	Number of Employees (persons)	Number of Exit Employees	Employee Turnover Rate
Germany	26	3	12%
United Kingdom	72	9	13%
Egypt	30	0	0%
Belgium	14	1	7%
France	54	8	15%
Romania	30	1	3%

Country	Number of Employees (persons)	Number of Exit Employees	Employee Turnover Rate
Türkiye	136	14	10%
China	24	2	8%
Netherlands	25	0	0%
Finland	30	2	7%
Greece	14	1	7%
Total	455	41	9%

Table 3: Gender and Age Distribution of Senior Management

Gender	Under 30 years old	30-50 years old	Over 50 years old	Total	Share
Male	2	20	20	20	75%
Female	3	6	5	5	25%
Total	5	26	25	25	100%

Note: The scope of this table includes the Company's second-tier subsidiaries.

Table 4: Employee Compensation by Country/Region

Country	Local Minimum Wage Standard	Number of Employees Earning Below the Local Minimum Wage	Country	Local Minimum Wage Standard	Number of Employees Earning Below the Local Minimum Wage
Germany	EUR 2,218/month	0	Türkiye	TRY 22,104/month	0
United Kingdom	GBP 2,126/month	0	China	RMB 2,740/month	0
Egypt	EGP 7,000/month	0	Netherlands	EUR 2,246/month	0
Belgium	EUR 2,518/month	0	Finland	EUR 1,600/month	0
France	EUR 1,802/month	0	Greece	EUR 968/month	0
Romania	EUR 816/month	0			

Table 5: Employee Social Insurance Coverage

Proportion of Employees Covered by Health Insurance	Proportion of Employees Covered by Unemployment Insurance	Proportion of Employees Covered by Work Injury Insurance	Proportion of Employees Covered by Maternity Insurance	Proportion of Employees Covered by Pension Insurance
87%	61%	100%	61%	67%

Table 6: Proportion of Employees with Disabilities by Gender

Gender	Number of Employees with Disabilities	Proportion of Employees with Disabilities
Male	2	0.73%
Female	3	1.66%
Total	5	1.10%

Table 7: Employee Training and Skill Development by Gender

Gender	Number of Employees Receiving Training	Proportion of Employees Receiving Training	Number of Employees Obtaining Skill Certifications	Proportion of Employees Obtaining Skill Certifications	Average Annual Training Hours per Person
Male	173	66%	129	49%	60
Female	119	69%	63	36%	53
Total	292	67%	192	44%	56

Table 8: Employee Health and Safety Indicators

Indicator	Value
Proportion of employees covered by the Company's occupational health and safety management system	100%
Number of employee deaths due to work injuries and occupational diseases	0
Number of deaths of other workers at the Company's worksites or premises due to work injuries and illnesses	0
Number of recordable work injury accidents involving employees	0
Rate of recordable work injury accidents involving employees	0
Number of recordable work injury cases for employees	0
Number of employee absenteeism days	124
Number of recordable work injury cases for non-employees	0
Number of absenteeism days for non-employees due to work-related injuries, accidents, illnesses, and health problems	0
Recordable work injury cases identified among former employees	0

Table 9: Statistics on Work-Life Balance

Gender	Percentage of Employees Entitled to Family-related Leave	Percentage of Entitled Employees Who Actually Took Family-related Leave
Male	73%	49%
Female	62%	40%
Total	69%	45%

Table 10: Compensation Indicators (Pay Gap and Total Compensation Ratio)

Indicator	Value	Note
Gender pay gap	81%	It refers to the percentage of the difference in average remuneration levels between male and female employees relative to the average remuneration level of male employees.
Total compensation ratio	272%	Ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all other employees (excluding the highest-paid individual)

Table 11: Emergencies, Complaints, and Serious Human Rights Impacts

Indicator	Value
Total number of discrimination incidents (including harassment)	0
Number of complaints received through internal employee grievance channels	4
Number of complaint cases submitted through OECD National Contact Points	0
Amount of fines, penalties, and compensation for damages due to discrimination incidents (including harassment and complaint cases)	0
Number of serious human rights incidents and cases related to own workforce	0
Number of material human rights incidents related to own workforce in violation of the UNGPs and the OECD Guidelines for Multinational Enterprises	0
Amount of fines, penalties, and compensation for serious human rights incidents related to own workforce	0
Number of material human rights cases where the Company participated in the remediation for affected parties	0

2 Workers in the Value Chain (S2)

The term "workers" in the value chain in this Report refers to all laborers who have signed contracts with suppliers and are subject to their management, including workers performing outsourced services on our premises, such as technical personnel or third-party freight forwarders. The Company's own employees, covered in the S1 section, are not included in this chapter.

We have formulated the *Supplier Code of Conduct* as a core binding term for cooperation with suppliers. It requires suppliers to adhere to internationally recognized human rights and labor standards and extends the same requirements to their own supply chains. If violations are discovered, we will negotiate corrective action plans with suppliers and monitor their implementation.

S2-1

Policies Related to Workers in the Value Chain

01 General Policy Description

The Company's Supplier Code of Conduct and related human rights policies are significantly referenced against internationally recognized standards such as the UNGPs, the *ILO Declaration on Fundamental Principles and Rights at Work*, and the *OECD Guidelines for Multinational Enterprises*. They aim to ensure respect for the labor rights and human rights of all relevant workers in business activities. This policy applies to all workers in the upstream supply chain and requires our partners and suppliers to jointly comply.

02 Respect for Workers' Rights

The policy explicitly requires suppliers to guarantee the following rights:

- ◆ **Health and Safety:**
Provide a safe and healthy working environment.
- ◆ **Non-Discrimination:**
Prohibit all forms of discrimination based on race, gender, nationality, religion, etc.
- ◆ **Working Hours and Compensation:**
Support compliance with applicable laws and regulations regarding working hours and remuneration.
- ◆ **Freedom of Association and Collective Bargaining:**
Respect workers' legitimate rights to freely associate and engage in collective bargaining.
- ◆ **Prohibition of Human Trafficking, Forced Labor, and Child Labour:**
Prohibit any involvement in human trafficking, forced labour, compulsory labour, and child labour in operations and the supply chain.

S2-2

Processes for Engaging with Workers in the Value Chain

Our *Supplier Code of Conduct* is committed to protecting the rights of upstream value chain workers, and we continuously monitor its implementation in supplier management. As we have no direct contact with value chain workers, and a systematic direct communication mechanism has not been established, this responsibility primarily lies with their direct employers. However, we are aware of our own responsibility and respond to workers' needs through the following indirect means:

01 Project Safety Collaboration

In large-scale projects, we adopt and implement the client's health, safety, and environmental standards, integrating them into project management decisions. In cooperative projects with suppliers and clients, we emphasize jointly ensuring the safety of all personnel on site and actively promote safety culture and capacity building. Communication occurs through participation in project safety briefings and trainings organized by the client.

02 Supply Chain Continuity

We indirectly maintain workers' employment stability by ensuring supply chain continuity. For example, during the Red Sea route diversion and the construction of the Hungary-Serbia railway, we ensured the continuity of our clients' supply chains by dynamically adjusting transport capacity, opening auxiliary routes, and establishing emergency response procedures, which helped stabilize employment and production order for workers at our clients and their upstream manufacturing stages.

S2-3

Remediation Processes and Grievance Channels for Workers in the Value Chain

01 General Remediation Approach

We adhere to the principle of prevention first. Through the *Supplier Code of Conduct*, contract terms, and on-site safety collaboration, we aim to prevent negative impacts on workers in the value chain. For potential impacts arising from our operations or managed project sites, they are addressed through the occupational health and safety management system.

02 Support for Grievance Channel Establishment

Through the *Supplier Code of Conduct*, we require suppliers to establish grievance mechanisms for their own employees. Currently, no dedicated grievance channels have been established for workers in the value chain, and this matter has been included in the agenda for future improvement.

S2-4

Management of Material Impacts, Risks, and Opportunities

01 Preventing Negative Impacts

At complex project sites, we adopt and implement the client's high safety standards, and extend them to all participating parties to prevent safety risks for on-site personnel, including supplier workers.

02 Creating Positive Impact

By building an efficient international logistics network, we ensure the stability of our clients' supply chains, indirectly supporting employment stability and work predictability for workers in their upstream manufacturing stages.

03 Addressing Negative Impacts

We collaborate with the project lead party, adopting their mature safety management system as the unified on-site standard, achieving efficient capability sharing and coordinated action.

04 Seizing Major Opportunities

We regard "high-caliber localized talent" and an "efficient collaborative supply chain partner network" as significant opportunities, which we capture through localized operations, cross-cultural integration, and strategic partnerships with local entities.

S2-5

Targets Related to Controlling Material Negative Impacts, Enhancing Positive Impacts, and Managing Material Risks and Opportunities

Currently, we have not established an independent, systematic set of targets specifically for workers in the value chain. Relevant control requirements have been embedded within performance indicators for project safety management and supply chain service commitments, such as the "zero accident" safety goal and client on-time delivery rate. Establishing a dedicated target system for workers in the value chain is an important direction for future improvement in sustainable supply chain management.

3 Affected Communities (S3)

S3-1

Policies Related to Affected Communities

01

Relevant Policies

The Company has developed a comprehensive community impact management policy, covering the entire process from project planning to implementation and operation. Through communication and cooperation with communities, the Company identifies potential risks and opportunities, and formulates corresponding mitigation and utilization measures. For instance, during warehouse operations, the Company engages in in-depth communication with the local community beforehand to understand community needs and concerns, assesses the project's potential impacts on community employment, environment, culture, etc., and develops targeted management plans. This ensures the project brings long-term benefits to the community while promoting economic development.

02

Human Rights Policy Commitments

The Company commits to complying with the *Guiding Principles on Business and Human Rights* of the United Nations and the core conventions of the International Labour Organization. Its policies explicitly prohibit forced labor, child labor, and discrimination, and include detailed provisions for protecting the cultural rights of local communities (e.g. prohibiting damage to sacred sites, safeguarding language transmission).

The Company's *Community and Human Rights Policy* is fully benchmarked against the *UNGPs* and the *OECD Guidelines for Multinational Enterprises*, specifically reflected in the following aspects:

Free, Prior, and Informed Consent (FPIC) Principle

Mandatory implementation of indigenous community consent procedures for high-risk projects, consistent with Article 19 of the United Nations Declaration on the Rights of Indigenous Peoples;

Supply Chain Due Diligence

Requires suppliers to sign the *Human Rights Commitment Letter*, incorporating core clauses from the *ILO Declaration on Fundamental Principles and Rights at Work*.

Through annual human rights due diligence, the Company identifies potential human rights risks in the supply chain (e.g. issues related to outsourced labor rights). In the course of operations, the Company has not identified any cases violating the aforementioned international standards.

03

Community Engagement Mechanism

The company values communication and cooperation with the communities in which it operates. It has established a Community Liaison Office and holds quarterly forums, forming a regular exchange mechanism to promptly understand and respond to community concerns and needs. In 2025, the Company held a total of 32 community meetings, addressing 21 issues such as noise control and waste cleanup.

To the extent possible, the Company actively participates in community public welfare and environmental activities, continuously fostering harmonious coexistence and common development with the community.

S3-2

Processes for Engaging with Affected Communities Regarding Impacts

01

Overall Process for Engaging with Affected Communities and Their Representatives

A community communication process has been established that spans the entire project lifecycle:

- **Preliminary Preparation:**

Conducts detailed community research before project initiation, including understanding the community's basic situation, cultural background, and interests/needs. Identifies affected communities and their representatives and develops a communication plan.

- **Communication Channels:**

Engages through various channels such as community meetings, public consultation sessions, and community liaison points. For local populations with specific cultural backgrounds, the Company will hire professional cultural advisors to ensure communication methods align with their cultural norms.

- **Information Sharing:**

Regularly discloses project-related information to the community, including project background, expected impacts, and risk mitigation measures, ensuring community residents are fully informed.

- **Opinion Collection and Feedback:**

Establishes dedicated feedback channels to collect opinions and suggestions from community residents, providing timely responses and handling. For significant opinions, organizes special discussions to jointly develop solutions with community representatives.

- **Continuous Monitoring and Adjustment:**

Continuously monitors community feedback during project implementation and promptly adjusts project plans and management measures.

02

Communication Parties and Frequency

Communication Parties

Direct Engagement: The Company prioritizes direct communication with affected communities and their legitimate representatives to ensure community opinions are conveyed authentically and accurately. In certain circumstances, the Company also communicates with credible intermediaries familiar with the community's situation (e.g. non-governmental organizations, community advisors) to obtain more comprehensive information and advice.

Communication Frequency

The Company organizes regular community meetings (e.g. quarterly) and increases communication frequency as needed based on actual circumstances. For urgent matters, the Company communicates with the community promptly.

Function Responsible for Communication and Highest Position Involved

A dedicated Community Affairs Department has been established. The department head reports to the related Vice President, who is responsible for incorporating community opinions into the Company's decision-making processes and ensuring the effective implementation of related measures.

03 Measures to Gain a Deep Understanding of the Perspectives of Affected Communities and Specific Groups that are Vulnerable and/or Marginalized

For community groups that are vulnerable or marginalized (e.g. women, children, the elderly, persons with disabilities), the Company takes the following measures:

Specialized Surveys

Conducts specific surveys targeting these groups during the project's preliminary stage to understand their unique needs and concerns.

Stratified Communication

Organizes specialized communication events, inviting representatives from these specific groups to ensure their views are fully heard.

Support Measures

Develops targeted support measures based on the specific needs of these groups.

04 Evaluation of Communication Effectiveness

The Company collects feedback from community residents through methods such as questionnaires and community interviews, regularly evaluating the effectiveness of communication and community satisfaction. The Company signs cooperation agreements with communities, clarifying the rights and obligations of both parties, and regularly assesses the implementation of these agreements. Achievements and outcomes are communicated to community residents through means such as community meetings.

S3-3

Remediation Processes for Negative Impacts and Grievance Channels for Affected Communities

01 Remediation Process

Upon identifying a confirmed or exacerbated material negative impact on an affected community, the Company immediately initiates the remediation procedure.

- The team of community affairs, in conjunction with relevant business departments, conducts a comprehensive assessment of the negative impact, analyzing the root cause and the scope of the effect.
- Based on the assessment results, specific remedial measures are formulated, such as providing financial compensation, improving community facilities, or conducting environmental restoration.
- During the implementation of remedial measures, their effectiveness is regularly tracked and evaluated. Through communication with community residents and collection of feedback, the Company ensures the measures are effective and gain community acceptance.

02 Grievance Channels

Direct Channels

Complaint entry point on the official website; physical suggestion boxes.

Indirect Channels

Cooperation with third-party community organizations to establish grievance mechanisms.

Response Timeliness

Upon receiving a complaint, the Company will respond within 24 hours, assign dedicated personnel to handle it, and provide feedback on the handling outcome to the complainant within the stipulated time.

03 Human Rights Impact Remediation Measures

The Company has formulated the *Human Rights Impact Remediation Procedure*, clearly committing to the following:

Rapid Response

For confirmed human rights violations, initiate an investigation within 72 hours and provide feedback on the handling plan within 15 working days.

Financial Compensation

Provide alternative employment or financial compensation to communities whose livelihoods are affected due to project implementation.

System Improvement

Incorporate material human rights incidents into management performance assessments.

04 Evaluation of Remediation Processes and Grievance Channels

Assessment of Awareness and Trust

Understand community residents' awareness of and trust in grievance channels through methods like community surveys and questionnaires. Indirectly assess trust in grievance channels by analyzing data such as the number of complaints and handling satisfaction.

Policy Protecting Grievants from Retaliation

The Company has established a strict policy protecting grievants, explicitly prohibiting any form of retaliation against them, and will deal seriously with violations of this policy. Through publicity and training, it raises employee awareness of the importance of protecting grievants, ensuring they can express their concerns without fear.

Tracking and Supervision Mechanism

The Company records and tracks complaints through an internal system to ensure transparency and traceability of the complaint handling process. It regularly communicates with community residents to collect feedback and invites stakeholders (such as community organizations, NGOs) to participate in supervision, ensuring the effectiveness of the grievance channels.



S3-4

Actions Taken Regarding Material Impacts on Affected Communities, and Methods for Managing Material Risks and Seizing Material Opportunities, and Their Effectiveness

01 Actions to Prevent or Mitigate Negative Impacts

Planning Stage

Ensure project design aligns with community interests through community research and stakeholder consultation.

Land Acquisition and Development Process

Strictly comply with local laws and regulations, fully solicit community opinions, and safeguard residents' rights.

Operation Stage

Strengthen environmental management and resource utilization efficiency to reduce dependence on natural resources and environmental damage.

02 Remedial Actions

For negative impacts that have already occurred, immediately initiate assessment and remediation procedures, providing financial compensation, improving infrastructure, conducting environmental restoration, etc., and ensure the effective implementation of the remedial measures.

03 Positive Impact Initiatives

The Company actively collaborates with communities to implement community development projects in education, healthcare, and infrastructure improvement. It provides employment opportunities and skills training for community residents, promoting community economic and social development.

Case COSCO SHIPPING (Europe) GmbH: Multiple Measures to Aid the Earthquake-Stricken Area in Türkiye

Following the powerful earthquake in Türkiye, COSCO SHIPPING (Europe) GmbH swiftly responded to local disaster relief needs and mobilized resources from various parties to provide humanitarian assistance. The Company donated TRY 1 million in emergency funds to the affected area and coordinated voluntary donations from its employees across Europe, raising a total of EUR 20,000 to support relief efforts. The logistics team arranged 113 containers for the temporary storage and transshipment of relief supplies. The Company's management visited the disaster area to assess the situation on site and paid a visit to affected employees and their families. Through internal communication platforms and multimedia information sharing, the Company strengthened employee cohesion and public recognition, demonstrating an effective mechanism and enduring commitment to community-centric corporate social responsibility with concrete actions in response to major emergencies.

Case COSCO SHIPPING (Europe) GmbH: Supporting Green Mobility in Hamburg with Green Ferries

To promote sustainable development and green mobility in the local community, COSCO SHIPPING (Europe) GmbH supported the clean energy public transport project of Hamburg. The Company provided HADAG Seetouristik und Fährdienst AG (HADAG) with a dedicated sponsorship of EUR 150,000 over three years to support the launch of green hybrid ferries, offering residents and tourists on both banks of the Elbe a low-carbon, safe and convenient travel option. During the project, the Company also joined hands with local government and community representatives to organize public engagement activities and environmental awareness campaigns, promoting the concept of green shipping and enhancing public environmental awareness. This initiative has not only improved the travel experience of local residents but also demonstrated the Company's active role and sense of responsibility in advancing the community's green transition and ecological co-development.

04 Risk and Opportunity Management

Mitigating Risks

Conduct regular risk assessments and monitoring, optimize project design, and promptly address resident concerns.

Seizing Opportunities

Co-create value through community development projects, supporting local economic development, and promoting employment, thereby enhancing community trust and support.

05 Target Setting and Action Effectiveness Evaluation

In line with the requirements of ESRS 2 MDR-T, the Company establishes community development objectives, including infrastructure improvement, enhanced education, and increased employment opportunities. Effectiveness is evaluated by regularly collecting community feedback and monitoring project implementation progress. For projects not meeting expectations, strategies are promptly adjusted and action plans optimized.



04

ESRS Governance (G)

- Business Conduct (G1)



COSCO SHIPPING

COSCO SHIPPING EUROPE



1 Business Conduct (G1)

Based on the double materiality assessment results in Volume 1, the material topics related to Governance (G) are shown in the table below.

Material topics	Content	Placement	Period	Impact
Corporate culture	Corporate culture can unify the ESG goals of the European team, significantly enhancing operational efficiency and compliance levels. This directly reduces regulatory and operational risks while shaping a strong green brand image. In the strictly regulated European market, this translates into financial opportunities for acquiring high-end customers, winning green premiums, and securing sustainable financing, driving long-term value growth.	Own operations and value chain	Long term	Positive impact, financial opportunity
Whistleblower protection	A robust whistleblower protection mechanism can expose ESG compliance loopholes early, avoiding potential significant legal penalties and operational disruption costs. This enhances corporate risk control capability, signals high governance standards to investors and clients, thereby helping to reduce financing costs, safeguarding brand value, and gain trust, ultimately translating into long-term financial stability and competitive advantages.	Own operations and value chain	Long term	Positive impact, financial opportunity
Supplier relationship management	Management of supplier relations and the implementation of fair and timely payment policies can establish a stable and reliable green supply chain. This directly mitigates the associated risks arising from suppliers' violations and optimizes costs through synergy and efficiency improvement. In the European market, this facilitates the acquisition of contracts with demanding major clients, enhances supply chain resilience, and generates long-term financial value and competitive advantages.	Own operations and value chain	Long term	Positive impact, financial opportunity
Corruption and bribery	Effective prevention and control of corruption and bribery directly avoid substantial legal fines, revocation of operating licenses, and accountability of the management. Financially, this avoids direct economic losses and risks of stock price volatility, while upholding corporate reputation, ensuring stable financing and high-quality contracts in the European market, and preventing the loss of business opportunities and a surge in costs caused by compliance blemishes.	Own operations and value chain	Long term	Negative impact, financial risk

01

Business Conduct Policy and Corporate Culture

To systematically manage material impacts, risks, and opportunities related to business conduct, the Company has built and practices a corporate culture centered on the "PANDA Shared Values System" and has formulated the following policies and measures.

G1 AR1

Building, Cultivating, and Assessing Corporate Culture

Involvement of Governance Bodies

The Company's Board of Directors and the Risk and Compliance Committee review topics related to corporate culture and business ethics at least twice a year, which includes analysis of whistleblowing data, review of major violation incidents, assessment of compliance training effectiveness, and results of culture surveys, to ensure senior oversight and continuous improvement.

Core Cultural Themes

The PANDA Shared Values System includes the following core themes, encompassing the Company's strategy, daily operations, and employee code of conduct.

	P	A	N	D	A
For Employees	Professional	Attitude	Negotiate	Dauntless	Accountable
For the Company	Personality	Aspiration	Nature	Decency	Accordance

Exemplary Role of Leadership

Members of the administrative, management, and supervisory bodies actively guide and promote corporate culture building through public commitments, prioritizing compliance and ethics in decision-making, regularly engaging in frontline communication, and leading by example in adhering to the highest standards of conduct.

Employee Incentives and Reinforcement Measures

The Company cultivates and reinforces employees' identification with and practice of corporate culture through incentives such as organizing corporate culture-themed activities.



G1-1 10

Business Conduct Code and Related Policies

Anti-Corruption and Anti-Bribery Policy

The Company has formulated and implemented a comprehensive anti-corruption and anti-bribery policy, aligned with the spirit and requirements of the *United Nations Convention against Corruption* (UNCAC). It explicitly prohibits all forms of corruption, bribery, extortion, and improper benefit transfer. Detailed management procedures, risk assessments, internal controls, and investigation mechanisms are provided in section 1.3, "Prevention and Supervision of Corruption and Bribery".

Whistleblower Protection

The Company has established independent, confidential reporting channels and a strict policy for whistleblower protection, explicitly prohibiting any form of retaliation against whistleblowers on a good-faith basis, in compliance with Directive (EU) 2019/1937 of the European Parliament and of the Council. Specific reporting channels, handling procedures, and protection measures are detailed in section 1.3.

Business Conduct Training Policy

The Company provides annual training on anti-corruption, conflicts of interest, information security, etc., for all employees, particularly those in high-risk positions. Specific training content is detailed in section 1.3.3.



Case

Newman Shipping & Agency Co N.V.: Strengthening Compliance Governance, Fortifying the Risk Prevention and Control System

As a representative of Chinese shipping enterprises in Belgium, Newman Shipping & Agency Co N.V. strictly adheres to EU and local regulations, building a robust compliance and risk prevention and control system centered on internal employee background checks and external industry compliance collaboration. This system integrates ESG governance into daily operations, effectively mitigating operational risks, enhancing operational transparency, and earning high trust from local regulators and society.



Case

COSCO SHIPPING (Türkiye) & Foreign Trading S.A.: Dual Certification Fortifies Information Security and Privacy Protection

COSCO SHIPPING (Türkiye) & Foreign Trading S.A. has successfully obtained international certifications for the ISO/International Electrotechnical Commission (IEC) 27001 Information Security Management Systems and the ISO/IEC 27701 Privacy Information Management Systems. This signifies the company's full compliance with international standards in the fields of information security and personal information protection. By establishing a management system covering the entire process from risk assessment and access control to privacy compliance, and strictly passing audits by the Turkish Standards Institution, the company effectively safeguards the security of client and internal core data, significantly reducing the risk of data breaches.

Animal Welfare Policy

As a logistics and supply chain service provider, the Company, under specific contracts, may be involved in the professional transport and handling of live animals such as horses, in accordance with international regulations. For this purpose, the Company has formulated and implemented specific guidelines for the transport and handling of animals to ensure the respect and welfare of animals in all related operations.

02

G1-2

Management of Supplier Relationships

To ensure the resilience, compliance, and sustainability of our supply chain, we adhere to the principles of cooperation, fairness, and due diligence, formulating and implementing the following supplier relationship management strategies.

G1-2 14 (a)

Consideration of Risks and Integration of Sustainability

In our procurement decisions and throughout the supplier lifecycle management, we systematically identify, assess, and manage the following risks and impacts:

- **Operational and Financial Risks.** The financial stability, production capacity, service quality, business continuity plans, and cybersecurity status of suppliers.
- **Compliance and Reputation Risks.** Supplier performance in areas of business ethics, anti-corruption, data protection, labor practices (e.g. forced labor, child labor), and environmental regulation compliance.
- **Environmental and Social Impacts.** On the environmental front, we assess suppliers' carbon emissions, resource consumption (energy, water), waste management, pollutant emissions, and their circular economy practices. Socially, we focus on suppliers' performance regarding employee health and safety, diversity and inclusion, community relations, and respect for human rights across their supply chains.
- **Strategic Support.** We minimize the disruption risks of supply chain and support the Company's business continuity and long-term strategic planning through diversified sourcing, development of alternative suppliers for critical materials, and inventory optimization strategies.

G1-2-14 (b)

Incorporation of Social and Environmental Standards

The Company deeply integrates environmental, social, and governance standards into the supplier selection and management processes:

Qualification Screening

All potential suppliers must undergo due diligence that includes ESG clauses. Core suppliers are required to sign the *Supplier Code of Conduct*.

Evaluation and Selection

In terms of social standards, we evaluate suppliers' labor policies, health and safety management systems, diversity policies, and grievance mechanisms. In terms of environmental standards, we prioritize suppliers with effective environmental management systems, those offering low-carbon solutions, or those holding sustainability certifications. In terms of localization and certification priority, while meeting commercial and technical conditions, we prioritize local suppliers and those holding authoritative social responsibility or environmental certifications to shorten the supply chain, reduce the carbon footprint, and support the local economy.

Ongoing Management

We conduct regular assessments or surveys on the ESG performance of key suppliers, and the results influence the depth of cooperation and contract renewals.

G1-2 AR2

Supplier Capacity Building and Fair Practices

Specialized Training for Procurement Teams

We regularly provide specialized training for procurement and supply chain management personnel, with content covering sustainable procurement principles and ESG risk assessment, effective communication and negotiation skills with suppliers, emphasizing the balance between price, quality, delivery, and sustainability goals. We design procurement incentives to encourage supplier investment in innovation, quality improvement, and ESG performance enhancement.

Collaboration Practices with Vulnerable Suppliers

For "vulnerable suppliers" facing severe economic, environmental, or social challenges, we develop targeted collaboration strategies. In terms of capacity building, we assist them in improving management or technical capabilities through technical guidance, process sharing, or joint training. In terms of financial support, we help these suppliers improve their cash flow through more favorable payment terms or advance payment arrangements. In terms of long-term commitments, where feasible, we provide more stable order forecasts or medium-to-long-term contracts to support their stable operations.

Communication Mechanism and Relationship Management Goals

We aim to establish transparent, two-way, and regular communication channels, treating suppliers as partners in co-creating value. Continuous dialogue on performance, needs, innovation, and sustainability topics is conducted through supplier conferences, regular business review meetings, specialized task forces, and online collaboration platforms.

Practice Evaluation Methods

We comprehensively assess the effectiveness of supplier relationship management strategies and suppliers' ESG performance through various methods, including supplier site audits, qualification document reviews, annual performance evaluation questionnaires, and analysis of third-party certification/rating reports.

G1-2 13

Fair Transactions and Timely Payment Policy

We are committed to maintaining a fair trading environment, with particular emphasis on protecting the rights and interests of SMEs, which are vital components of the supply chain. The measures taken are as follows:

- Clear Payment Terms. Explicitly and reasonably stipulate payment conditions, cycles, and procedures in procurement contracts.
- Standardized and Automated Processes. Optimize internal financial processes and employ electronic systems to reduce unnecessary delays in payment approval stages.

Special Measures for SMEs:

- In contracts signed with SMEs, actively consider agreeing to shorter payment terms.
- Establish clear communication channels for SME suppliers to facilitate inquiries about payment status and timely resolution of disputes.
- Prioritize the scheduling of due payments to SMEs in financial planning.

03

G1-3

Prevention and Supervision of Corruption and Bribery

The company strictly adheres to the EU's *Anti-Corruption Directive* and international anti-corruption conventions to ensure the integrity and transparency of its operations.

G1-3 18

Prevention, Monitoring, and Handling Procedures

Risk Assessment, Monitoring, and Internal Controls [AR 5]

The Company regularly conducts specific risk assessments for corruption and bribery to identify high-risk business areas, geographic locations, and partners. Based on the assessment results, preventive and detective controls are implemented.

● Preventive Controls:

Implementation of strict financial authorization and separation of approval authorities; a three-party price comparison and tender system in procurement processes; advance declaration and approval for gifts, entertainment, and travel; declaration and review of conflicts of interest.

● Detective Controls:

Regular internal audits and compliance reviews; special review of high-risk transactions; data analysis to identify abnormal payment patterns.

Related Systems

The Company has established multi-layered procedures including preventive measures, channels for detection and reporting, and handling and investigation processes to manage corruption and bribery risks.

Preventive measures primarily include establishing a whistleblower protection system, internal controls, and due diligence. Among these, the whistleblower protection system complies with the requirements of the EU's Anti-Corruption Directive and international anti-corruption conventions, explicitly prohibiting all forms of corruption, bribery, extortion, improper benefit transfer, and conflicts of interest. Internal controls involve implementing strict financial controls, procurement approval processes, a gift and entertainment declaration system, and a conflict-of-interest declaration mechanism. Due diligence is conducted on suppliers, business partners, and employees in high-risk positions before engagement and periodically thereafter.

The Company has established secure, confidential, and anonymous reporting channels, including telephone and email, clearly defining the rights protection measures for whistleblowers, encouraging and protecting all internal employees and external stakeholders to report any suspicious behavior. The Company has formulated a guidance on whistleblower protection system to strengthen institutional publicity and education among employees, encouraging them to report actively, thereby forming an internal oversight synergy within the enterprise.

Independence of Investigations

The company has a dedicated "Neutral Office" responsible for conducting independent and impartial investigations into reported matters and taking necessary corrective action promptly.

To ensure impartiality of investigations, the Neutral Office responsible for investigating corruption and bribery shall be independent in function and reporting line from the business departments and management levels involved in the alleged matters. It reports directly to the supervisory working group of the Board's Nomination Committee/Executive Committee, which is composed of non-executive directors.

Result Reporting Process

The findings, disciplinary decisions, and remedial measures taken for all major corruption and bribery incidents must be documented in a written report and submitted to the Board's Nomination Committee/Executive Committee Supervisory Working Group for their review and oversight. In cases involving major violations or breaches of law, reports will be made to relevant regulatory authorities in accordance with the law.

G1-3 20

Policy Dissemination and Communication

The Company employs a variety of tools and channels to ensure that the policies are fully understood by internal employees, contractors, suppliers, value chain workers, and other relevant parties.

- **Internal Employees:**

Communication is conducted through onboarding training, email newsletters, and team meetings.

- **Contractors and Suppliers:**

Core compliance requirements are incorporated into the *Supplier Code of Conduct* and annexes of contracts; promotion is carried out during supplier qualification and performance evaluation meetings.

- **Value Chain Workers and Other Relevant Parties:**

Communication is facilitated through flyers, briefings in local languages, and dedicated websites to eliminate language and comprehension barriers. Providing feedback is encouraged through labor unions or worker representatives.

G1-3 21

Anti-Corruption and Anti-Bribery Training

- **Basic Training for All Employees:**

Voluntary participation, highly encouraged, covering all incumbent employees. The content includes policy key points, identification of risk scenarios, reporting channels, and protection mechanisms.

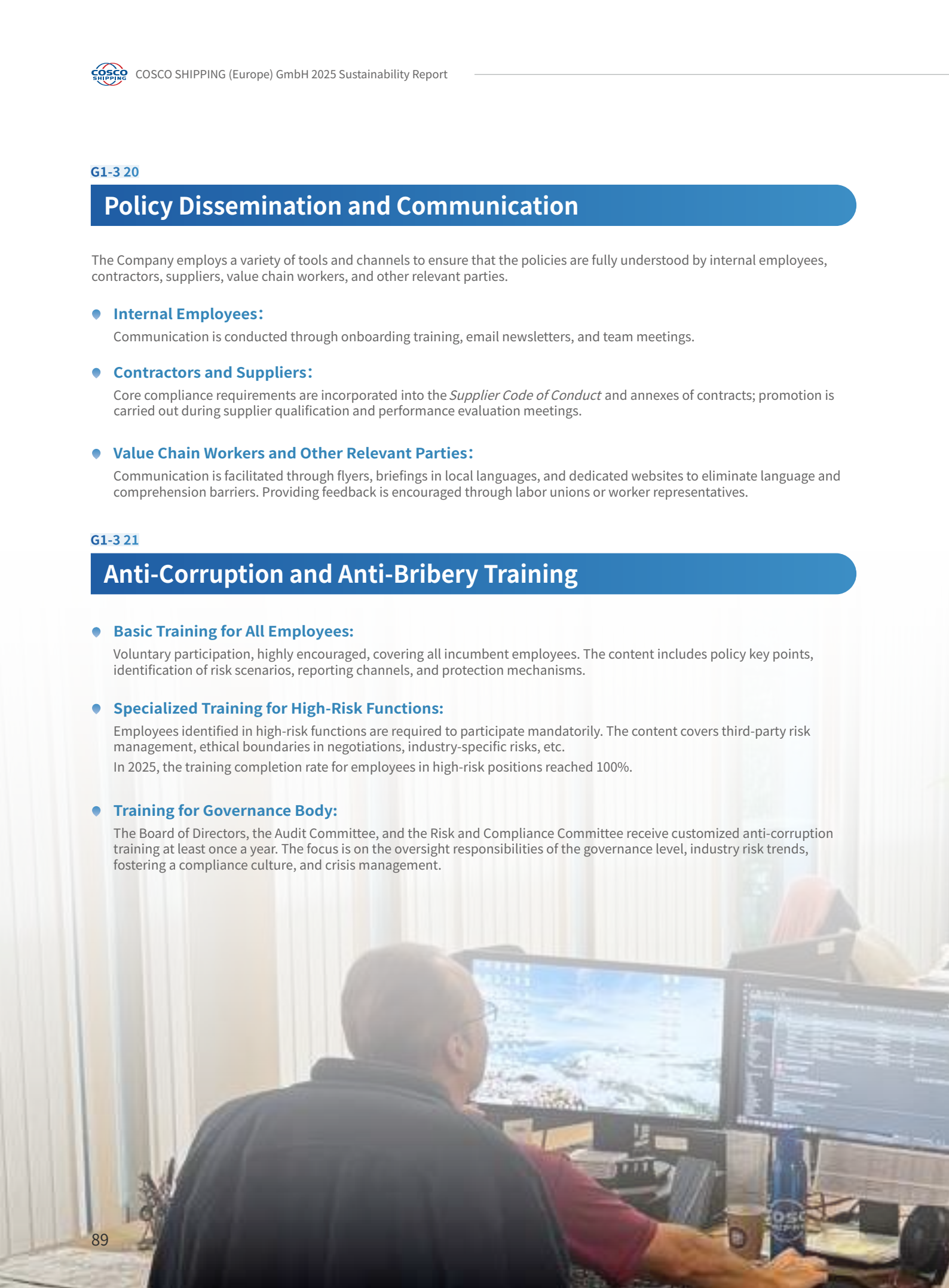
- **Specialized Training for High-Risk Functions:**

Employees identified in high-risk functions are required to participate mandatorily. The content covers third-party risk management, ethical boundaries in negotiations, industry-specific risks, etc.

In 2025, the training completion rate for employees in high-risk positions reached 100%.

- **Training for Governance Body:**

The Board of Directors, the Audit Committee, and the Risk and Compliance Committee receive customized anti-corruption training at least once a year. The focus is on the oversight responsibilities of the governance level, industry risk trends, fostering a compliance culture, and crisis management.



04

G1-4

Incidents of Corruption or Bribery

G1-4 24

Legal Proceedings and Remedial Measures

Criminal Convictions and Fines

In 2025, neither the Company nor its legally incorporated operating entities in Europe incurred any criminal convictions or related fines due to violations of anti-corruption and anti-bribery laws.

Remedial Measures for Violations

In 2025, the Company identified and handled 2 reported incidents through internal reporting channels and compliance reviews. These incidents did not constitute corruption or bribery and have been effectively resolved.

Specific Remedial Measures

- **Immediate Correction:**

Required the involved employees to immediately correct their behavior and provided them with individual coaching and retraining.

- **Process Optimization:**

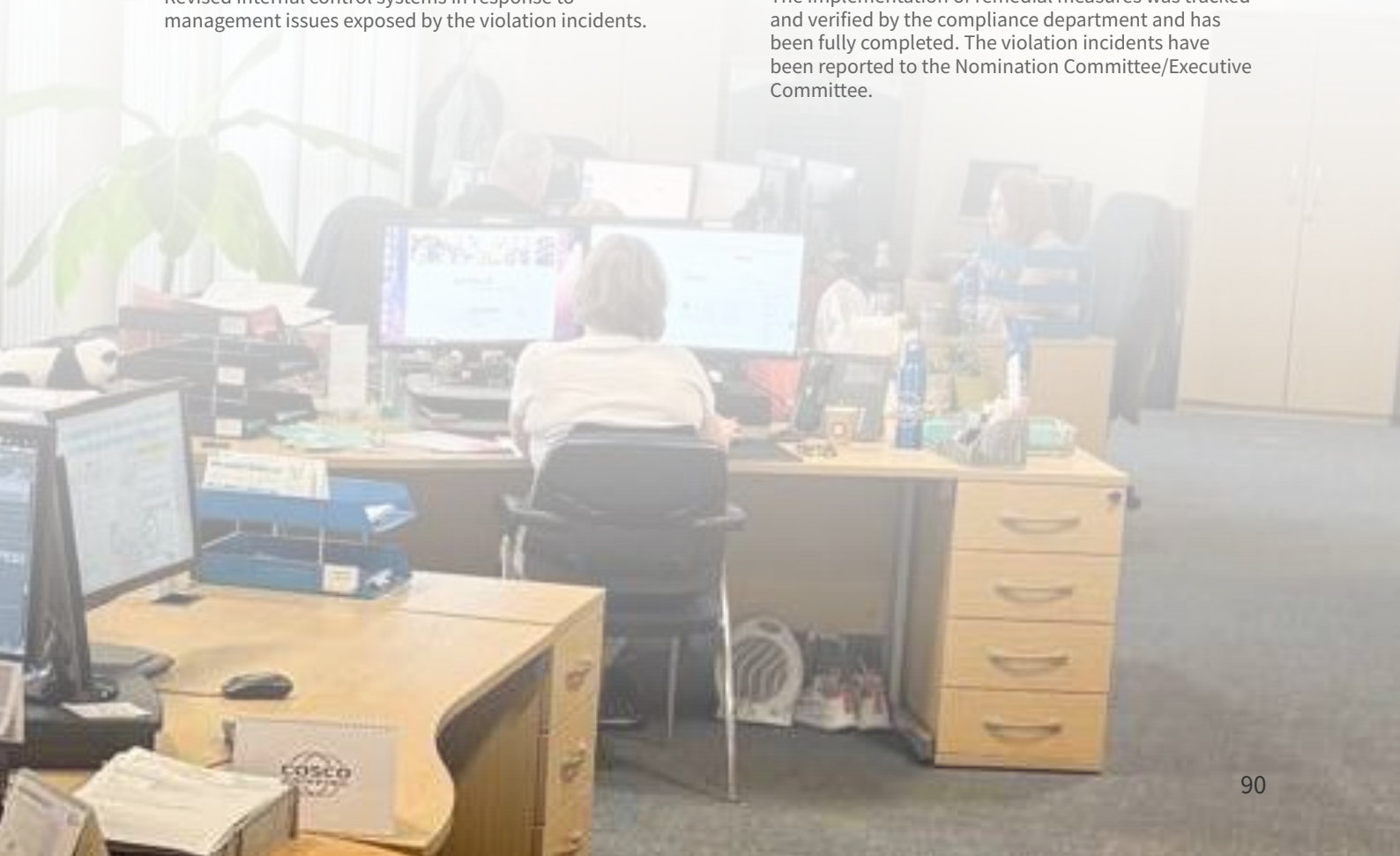
Revised internal control systems in response to management issues exposed by the violation incidents.

- **Training Reinforcement:**

Added relevant reinforcement modules and case studies to the subsequent annual compliance training for all employees.

- **Oversight Closure:**

The implementation of remedial measures was tracked and verified by the compliance department and has been fully completed. The violation incidents have been reported to the Nomination Committee/Executive Committee.



G1-4 25

Details of Corruption Incidents and Disciplinary Actions

Total Number and Nature of Confirmed Corruption Incidents

In 2025, there were no incidents of corruption, nor any involvement of external third-party bribery or resulting in direct financial loss to the Company.

Handling of Business Partner Contracts

In 2025, there were no confirmed incidents of termination or non-renewal of contracts with business partners (suppliers or clients) due to corruption or bribery-related violations.

Public Legal Cases

In 2025, there were no public legal cases (including newly filed, pending, or concluded cases) involving corruption or bribery against the Company or its employees.

G1-6

05

Contract Payment Situation

To promote responsible supply chain management and a fair trading environment, we hereby disclose our contract payment situation, with particular attention to its impact on SMEs.

G1-6 33

Core Payment Performance Data

G1-6 33 (a)

Average Contract Payment Time

In 2025, the Company's average time to pay supplier invoices from the start of the contractual or statutory payment period was 56 days. This data is calculated based on a full-sample analysis of the Company's accounts payable process for the entire year, not an estimate from sampling.

G1-6 33 (c)

Legal Litigation Related to Delayed Payments

As of December 31, 2025, the number of unresolved legal litigation cases caused by delayed payments from the company is 0.



Appendix

Explanation and Glossary

Terms	Definition and Description
ESG	Abbreviation of Environmental, Social and Governance
IMO	International Maritime Organization
SDGs	Sustainable Development Goals
IROs	Impacts, Risks and Opportunities
CSRD	EU's <i>Corporate Sustainability Reporting Directive</i>
ESRS	<i>European Sustainability Reporting Standards</i>
GDPR	General Data Protection Regulation
LNG	Liquefied Natural Gas
IRIS 4	International Railway Industry Standard Version 4
CBS	Control System Bus (industrial control field)
ISO	International Organization for Standardization
WMS	Warehouse Management System
TMS	Truck Management System
FMS	Freight Management System
NGO	Non-Governmental Organization
COP29	29th Session of the Conference of the Parties
OECD	Organization for Economic Co-operation and Development
SBTi	Science Based Targets initiative
CSDDD	EU's <i>Corporate Sustainability Due Diligence Directive</i>
TCFD	Task Force on Climate-related Financial Disclosures
TRIR	Total Recordable Injury Rate
EU ETS	European Union Emissions Trading System
CapEx	Capital Expenditure
AI	Artificial Intelligence

Appendix

Explanation and Glossary

Terms	Definition and Description
B24	Biofuel 24
CII	Carbon Intensity Indicator Rating
SNP	Smart Navigation Project
TEU	Twenty-foot Equivalent Unit
BREEAM	Building Research Establishment Environmental Assessment Method (a green building assessment system)
FuelEU Maritime	FuelEU Maritime Regulation
LPG	Liquefied Petroleum Gas (Liquefied Petroleum Gas)
ICP	ICP (Internal Carbon Pricing)
REACH	EU's <i>Registration, Evaluation, Authorisation and Restriction of Chemicals</i>
SVHC	Substances of Very High Concern
BAT	Best Available Techniques
COD	Chemical Oxygen Demand (an indicator for water quality detection)
SS	Suspended Solids
IMDG Code	<i>International Maritime Dangerous Goods Code</i>
ADR	EU's ADR Convention on the International Carriage of Dangerous Goods by Road
SDS	Safety Data Sheet
MARPOL	International Convention for the Prevention of Pollution from Ships
WRI	World Resources Institute
UNGPs	United Nations Guiding Principles on Business and Human Rights
PPE	Personal Protective Equipment
LTIFR	Lost Time Injury Frequency Rate
FPIC	Free, Prior and Informed Consent
IEC	International Electrotechnical Commission

Alignment with ESRS Standards

ESRS 2 General Disclosures			
ESRS Disclosure Requirements		Corresponding Section	page
BP-1	General basis for preparation of sustainability statements	General Information on the Preparation of this Report	7-8
GOV-1	The role of the administrative, management and supervisory bodies	Composition and Responsibilities of Administrative, Management and Supervisory Bodies	10-12
GOV-1	The role of the administrative, management and supervisory bodies	Sustainability Skills and Expertise of Administrative, Management and Supervisory Bodies	13
GOV-4	Statement on due diligence	Due Diligence Practices and Effectiveness in Relation to Sustainability Matters	14
GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal control	15-16
SBM-1	Strategy, business model and value chain	Strategy, Business Model and Value Chain	17-19
SBM-2	Interests and views of stakeholders	Stakeholder Engagement and Participation	25-26
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Interplay of Material Impacts, Risks and Opportunities with Strategy and Business Model	26
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Double Materiality Assessment	27-32
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		

E Environment			
E1 Climate change			
ESRS Disclosure Requirements		Corresponding Section	page
E1-1	Transition plan for climate change mitigation	Climate Transition Plan	40-41
E1-2	Policies related to climate change mitigation and adaptation	Policies Related to Climate Change Mitigation and Adaptation	41-42
E1-3	Actions and resources in relation to climate change policies	Actions and resources in relation to climate change policies	43-44
E1-4	Targets related to climate change mitigation and adaptation	Greenhouse gas emission reduction targets	45
E1-5	Energy consumption and mix	Total Energy Consumption and Structure	46
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 1, 2 and 3 Greenhouse Gas Emissions and Total Emissions	46
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Greenhouse Gas Removals and Reduction Projects Financed through Carbon Credits	47
E1-8	Internal Carbon Pricing	Internal Carbon Pricing	47
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Expected Financial Effects of Material Physical Risks and Transition Risks, and Potential Climate-related Opportunities	47-48

E2 Pollution

ESRS Disclosure Requirements		Corresponding Section	page
E2-1	Policies Related to Pollution	Policies Related to Pollution	50
E2-2	Actions and resources related to pollution	Pollution-related Actions and Resource Allocation	51
E2-3	Targets related to pollution	Specific Pollution-related Targets	52
E2-5	Substances of concern and substances of very high concern	Substances of Concern and Substances of Very High Concern	53-54
E2-6	Expected Financial Impact of Pollution-related Effects, Risks, and Opportunities	Expected Financial Impact of Pollution-related Effects, Risks, and Opportunities	54-55

E3 Water and Marine Resources

ESRS Disclosure Requirements		Corresponding Section	page
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E3-2	Actions and resources related to water and marine resources	Actions and Resources Related to Water and Marine Resources	57
E3-3	Targets related to water and marine resources	Targets Related to Water and Marine Resources	57
E3-5	Expected Financial Impact of Material Risks and Opportunities Related to Water and Marine Resources	Expected Financial Impact of Material Risks and Opportunities Related to Water and Marine Resources	58

S Society

S1 Own Workforce

ESRS Disclosure Requirements		Corresponding Section	page
S1-1	Policies related to own workforce	Policies Related to the Company's Workforce	62-64
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Communication Management Mechanism with Employees	65-66
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Remediation Processes and Grievance Channels	66
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Management of Material Impacts, Risks, and Opportunities	67-78
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Target System for Material Impact Control and Risk Management	69-71

Alignment with ESRS Standards

S2 Workers in the Value Chain			
ESRS Disclosure Requirements		Corresponding Section	page
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S2-2	Processes for engaging with value chain workers about impacts	Processes for Engaging with Workers in the Value Chain	73
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Remediation Processes and Grievance Channels for Workers in the Value Chain	73
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Management of Material Impacts, Risks, and Opportunities	74
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets Related to Controlling Material Negative Impacts, Enhancing Positive Impacts, and Managing Material Risks and Opportunities	74

S3 Affected Communities			
ESRS Disclosure Requirements		Corresponding Section	page
S3-1	Policies Related to Affected Communities	Policies Related to Affected Communities	75
S3-2	Processes for engaging with affected communities about impacts	Processes for Engaging with Affected Communities Regarding Impacts	76-77
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Remediation Processes for Negative Impacts and Grievance Channels for Affected Communities	77-78
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Actions Taken Regarding Material Impacts on Affected Communities, and Methods for Managing Material Risks and Seizing Material Opportunities, and Their Effectiveness	79-80

G Governance			
G1 Business Conduct			
ESRS Disclosure Requirements		Corresponding Section	page
G1-1	Business conduct policies and corporate culture	Building, Cultivating, and Assessing Corporate Culture	84
G1-1	Business conduct policies and corporate culture	Business Conduct Code and Related Policies	85
G1-2	Supplier relationship management	Management of Supplier Relationships	86
G1-2	Supplier relationship management	Supplier Capacity Building and Fair Practices	87
G1-3	Prevention and detection of corruption and bribery	Prevention and Supervision of Corruption and Bribery	88-89
G1-4	Confirmed incidents of corruption or bribery	Legal Proceedings and Remedial Measures	90-91
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