



# COSCO SHIPPING Ports Limited

## 中遠海運港口有限公司

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 1199)

### **Anti-Corruption Policy**

#### **General Provisions**

1. Honesty, integrity and fairness are the key values that all members of COSCO SHIPPING Ports Limited (hereinafter referred to as the “Company”), including its directors, senior management and employees at all levels, shall uphold at all times. This Policy are established based on the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and references have been taken from other applicable laws, rules and regulations regarding anti-bribery and corruption. Members are required to strictly abide by the laws and regulations of jurisdictions in which they operate.
2. The Company strictly prohibits bribery and corruption in any form, and takes a zero tolerance stance to bribery and corruption. All members must adhere to the basic standards of conduct and the policies on receiving benefits and reporting conflicts of interest as set out in this Policy when dealing with matters in relation to the Company. “Benefit” includes (1) any gift, loan, fee, remuneration or commission, in the form of money or other property or property interests of any kind, except business and courtesy souvenirs that are in small amount; (2) any office, employment or contract; (3) the payment, release, discharge or settlement, in whole or in part, of any loans, obligations or liabilities without proper review and approval process; (4) other services or benefits other than normal business or official hospitality, including a privilege against any penalty or disqualification incurred or expected to be incurred, or a privilege against any disciplinary, civil, or criminal actions or proceedings, whether or not such actions or proceedings have been brought; and (5) the exercise or non-exercise of any rights, powers or duties.
3. Any member who violates this Policy shall be investigated and treated in a strict manner in accordance with the relevant internal regulations of the Company or subsidiary companies. Where it is suspected that such violation involves corruption or other criminal offences, the Company shall report to the relevant authorities.
4. This Policy shall apply to the Company and its subsidiary companies (hereinafter referred to as the “All Units”). Subsidiary companies include wholly-owned and controlled subsidiaries at all levels of the Company. The Company encourages all persons or organizations having business dealings

with the Company, including customers, suppliers or contractors, to follow the requirements of this Policy.

#### **5. Principle for receipt of gifts**

- (1) In principle, All Units are prohibited from giving or accepting gifts within the Company and/or between its subsidiary companies.
- (2) Employees of All Units are prohibited from asking for or accepting any benefits from persons having business dealings with the Company (such as customers and suppliers).
- (3) Gifts that are offered voluntarily by the offeror (but not being asked for) may be accepted: souvenirs that are, in essence, made for the promotion of corporate image or the showcasing of corporate or regional culture (generally refers to gifts that bear the name or logo of the offering company and are, generally speaking, of limited commercial value).

#### **6. Principle for accepting hospitality**

- (1) Although hospitality is in general an acceptable business and social activity, members should refuse the following types of hospitality provided by persons having business connections with the Company (such as customers, suppliers or contractors):
  - (i) Hospitality that is excessively lavish or frequent – taking into account the value, substance, frequency and nature;
  - (ii) Hospitality that is inappropriate – taking into account the relationship between the relevant member and the offeror (such as any direct professional connections between them);
  - (iii) Hospitality that is unsuitable – taking into account factors such as the integrity of the offeror; or
  - (iv) Where the member's acceptance would likely result in him/her owing a favour or cause an embarrassment to him/herself when performing his/her duties; or a damage to the reputation of the member or the Company, or any actual or perceptual conflict of interest situations.
- (2) Members shall refuse any offer of free travel.
- (3) The number of member(s) accepting any such hospitality on behalf of the Company should be minimized as far as possible.

#### **Principles for the provision of benefits**

7. No member of the Company, in executing any of the Company's affairs, shall offer, either directly or indirectly through a third party, any benefit to any member of another company or organisation, in attempting to influence the decision-making of such persons or companies in its business dealings, or any

benefit to any member or employee of the government departments when conducting any matters with such government departments. Members shall exercise proper judgment when offering business souvenirs or hospitality, and comply with the Company's and its subsidiaries' management requirements in relation to expenditures in the performance of duties and business expenditure. The amount, frequency and nature of these expenditures should not be overly lavish or frequent so to avoid being regarded as inappropriate.

8. Business souvenirs or hospitality may only be given or provided for proper business interests and purposes. Expenditures on business gifts and hospitality should be duly budgeted and approved, with appropriate bookkeeping and recording procedures.
9. Souvenirs should be offered in a way on par with international practices and the relevant regulations of the Company. They should be simple and economical, focus on promoting corporate image, corporate culture and regional culture, and the approval procedures for ordering and receipt should be strictly observed.
10. Members of the Company shall not accept and in any capacity offer any cash, securities and payment vouchers to any higher-level units or individuals.

### **Conflict of Interest**

11. A conflict of interest is when a member's private interests contradict with, or are in conflict with, the interests of the Company. The term "private interests" refers to the financial and personal interests of the member and of those associated with him/her, including family members, relatives and personal associates.
12. The Company's business decisions and business conducts should be made in the best interests of the Company and its shareholders, rather than the private considerations of the member. Members should avoid any situation that results in a conflict of interest or would be perceived so. Failure to avoid or declare conflicts of interest by a member would likely be perceived as partiality, abuse of power or even corruption.
13. The following are some of the most common types of conflicts of interest (including but are not limited to):
  - (1) using his/her position to bribe, receive bribes, or obtain any illegal income;
  - (2) using his/her position to obtain illegal or improper advantages for himself/herself, his/her family members or any other persons;
  - (3) using his/her position or the Company's assets to seize or causing other persons to seize the business opportunities of the Company, unless the Company has been aware of such business opportunity and has agreed to

- give up such business opportunity in writing;
- (4) using the Company's assets to obtain personal interests in any way;
- (5) operating any business in competition with the Company, whether as a sole proprietor, joint venture or for a third party;
- (6) engaging in any other activities that damage the Company's interests.

### **Whistleblowing**

- 14. The Company shall take necessary measures to open and unblock channels for complaints. Any member and person having a business relationship with the Company, if suspects a misdeed in the course of operation or management, may report in person or in writing.
- 15. The Company shall consider and deal with any complaint in an impartial and efficient manner in accordance with the "Whistleblowing Management Rules of COSCO SHIPPING Ports Limited". Information of all complaints shall be treated strictly confidential.

### **Internal Control Mechanism**

- 16. The Company and its subsidiaries shall establish and implement an internal control mechanism, and be responsible for the prevention, timely discovery and rectification of any fraud and embezzlement.
- 17. The Company and its subsidiaries shall promote a corporate culture that promotes honesty and integrity, cultivate an anti-fraud and anti-embezzlement corporate environment, assess the risks of fraud and establish specific control procedures and mechanisms to reduce the chance of fraud and embezzlement.

A corporate culture that promotes honesty and integrity includes (but is not limited to) the following:

- (1) The directors and management of the Company and its subsidiaries shall insist on leading by example and take the lead in action to comply with the laws, regulations and rules of the Company and the subsidiaries;
- (2) Effective communication and training in relation to the anti-fraud policies and procedures and relevant measures of the Company and its subsidiaries shall be conducted in various forms (such as employee handbook, issuance of rules and regulations, promotions, emails or internal network) within the Company and its subsidiaries, to ensure that members are trained in respect of the relevant laws, regulations and professional ethics so that they have a good understanding of the code of conduct and to assist them in distinguishing lawful, unlawful, ethical and unethical acts;

- (3) To encourage members to abide by the laws and the ethical conducts during daily work of the Company, and to assist members in dealing with conflicts of interests and resisting temptation of improper benefits in a proper manner during the course of work;
- (4) Hold regular trainings on clean practices to further enhance corporate integrity management and promote the establishment of a non-corrupt working culture.

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