



# **COSCO SHIPPING Ports Limited** **中遠海運港口有限公司**

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

## **Terms of Reference of the Environmental, Social and Governance Committee**

### **1. Establishment**

During a meeting of the board of directors (the “Board”) of COSCO SHIPPING Ports Limited (the “Company”) held on 30 March 2021, an Environmental, Social and Governance Committee (the “Committee”) was approved to be established under the Board.

### **2. Objectives**

The Committee, under the supervision of the Board, is responsible for introducing and proposing relevant principles concerning corporate governance so as to enhance the standard of corporate governance of the Company. The Committee is also responsible for opining on, overseeing, evaluating, and making recommendations to the Board on the development and implementation of corporate social responsibility and sustainable development measures by the Company and its subsidiaries (collectively the “Group”).

### **3. Composition**

- 3.1 The Committee shall consist of three members, comprising two independent non-executive directors and an executive director, who shall be appointed by the Board.
- 3.2 The Chairman of the Committee shall be an independent non-executive director appointed by the Board.
- 3.3 The office of a Committee member shall last as long as he/she remains as a director of the Company. In the event of resignation of any member or automatic disqualification of any member upon his/her resignation as a director, a new member shall be elected by the Board in accordance with Article 3.1 above and if applicable, a new Chairman shall be appointed in accordance with Article 3.2 above.

- 3.4 The Secretary of the Committee shall be the head of the Public Relations Division of the Company. The Secretary of the Committee shall be responsible for despatching notice of meeting to the members of the Committee, taking minutes at the meetings, circulating the minutes to the members present at the meetings for signature, keeping the minutes thereof for records and copying the minutes to the Company Secretary.

#### **4. Meetings**

- 4.1 Two members shall constitute a quorum of a Committee meeting. Each member shall have one vote. Any resolution of any Committee meeting shall require a majority of votes of the members present at the meeting.
- 4.2 The Committee shall meet at least two times every year. Seven days' notice shall be given to the Committee members before each meeting. Meetings may be held at the request of the Chairman or at least half of the Committee members as and when required. Meetings may be held by way of voting by correspondence or signing of written resolutions by all Committee members.
- 4.3 All meetings shall be chaired by the Chairman of the Committee. In the event of his/her absence, he/she may assign another member to chair the meeting on his/her behalf.
- 4.4 Agenda of any Committee meeting and accompanying meeting papers shall be sent to all Committee members 3 days before the intended date of the meeting (or such other date as agreed).
- 4.5 With respect to an agenda that relates to any Committee member, such member shall abstain from voting on the corresponding resolution.
- 4.6 Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised or dissenting views expressed by members. Drafts and final version of the minutes of Committee meetings shall be sent to all Committee members for amendments and records respectively, in both cases within a reasonable time after a Committee meeting is held.
- 4.7 The members of the Committee shall have the obligation to keep all matters discussed by the Committee confidential and shall not disclose such information to third parties without the Committee's permission.

- 4.8 Only Committee members are entitled to attend Committee meetings. Notwithstanding the foregoing, the Chairman of the Committee may, as appropriate, invite other Board members, senior management members or heads of relevant departments to attend Committee meetings. External advisers may also be invited to attend Committee meetings as and when required.

## **5. Authority**

- 5.1 The Committee is authorised by the Board to investigate any activities within the scope of its terms of reference and obtain any information required from relevant parties to facilitate its understanding of the issue.
- 5.2 The Company shall provide sufficient resources (including the provision of trainings in the areas of climate change and/or other sustainability topics) to the Committee for the Committee to perform its duties. The Committee, in performing its duties, shall seek independent professional opinions, as and when required, at the cost of the Company.

## **6. Roles and Responsibilities**

The roles and responsibilities of the Committee shall be:

- 6.1 to make recommendations to the Board on the objectives, strategies, management directions, measures and purposes of the corporate social responsibility and sustainable development issues (including, but not limited to, climate change) of the Group.
- 6.2 to oversee, review, and provide suggestions on the improvement of the policies, practices, framework and management directions of the corporate social responsibility and sustainable development of the Group.
- 6.3 to monitor and examine the emerging trend and matters of corporate social responsibility and sustainable development, and make recommendations on the response to ongoing and emerging matters of corporate social responsibility and sustainable development that have impact on the Group.
- 6.4 to make recommendations on the setting of objects of corporate social responsibility and sustainable development to monitor the performance of the Group and the actions required to enhance the performance of the Group.
- 6.5 to make recommendations to the Board on the selection of subsidiaries or

businesses to be included in the scope of environmental, social and governance review.

- 6.6 to review, and report to the Board on the potential impact brought by the businesses of the Group to the environment and the society.
- 6.7 to review, and report to the Board on the risks and opportunities of the sustainable development.
- 6.8 to consider the impact brought by the corporate social responsibility and sustainable development of the Company to its stakeholders (including employees, shareholders, customers and suppliers) and the local community and environment.
- 6.9 to review, and submit to the Board for approval the annual sustainability report of the Company.
- 6.10 to formulate, review, and make recommendations to the Board on the Company's policies and usual practices on corporate governance.
- 6.11 to monitor and review the training and continuous professional development of directors and senior management.
- 6.12 to monitor and review the Company's policies and usual practices on compliance with legal and regulatory requirements.
- 6.13 to formulate, monitor and review the code of conduct and compliance manual (if any) applicable to employees and directors.
- 6.14 to review the Company's disclosure systems, including shareholders communication policy and other corporate correspondence relating to the corporate social responsibility and sustainable development of the Company.
- 6.15 to review the Company's compliance with the regulations and guidance as set forth in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in relation to environmental, social and governance matters and corporate governance matters.
- 6.16 to consider other matters, as authorised by the Board.

## **7. Reporting Procedures**

The Committee reports directly to the Board on its decisions or recommendations by way of minutes (in written form) after a Committee meeting has been held.

## **8. Date of Adoption**

These terms of reference were approved and adopted by the Board on 30 March 2021 and amended by the Board on 25 October 2024.

## **9. Supplementary Provisions**

- 9.1 Any other terms not specified hereunder shall be implemented in accordance with relevant laws of the Government of the Hong Kong Special Administrative Region, the Listing Rules and the Memorandum of Association and Bye-Laws of the Company. In the event that these terms of reference are in conflict with the laws promulgated by the Government of the Hong Kong Special Administrative Region, the Listing Rules or the Memorandum of Association and Bye-Laws of the Company as amended by lawful procedures, these terms shall be implemented in accordance with the relevant laws of the Government of the Hong Kong Special Administrative Region, the Listing Rules and the Memorandum of Association and Bye-Laws of the Company, and shall be amended by the Committee promptly in accordance therewith, which amendments shall be submitted to the Board for review and approval.
- 9.2 The Board shall be vested with final interpretation power of these terms of reference.
- 9.3 In the event of any inconsistency between the Chinese text and English text of these terms of reference, the English text shall prevail.