



COSCO SHIPPING (North America) Inc.

ESG Report

2024



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About the Report

Introduction

This report is the 2024 sustainability report issued by COSCO SHIPPING North America for all stakeholders, and it disclosed the opportunities and challenges encountered by the company and the efforts to integrate our social responsibility into corporate management for sustainable development.

Reporting Period

The time frame for the activities mentioned in this report is from January 1, 2024, to December 31, 2024, though some content may extend beyond the stated time frame when necessary.

Reporting Scope

The information and contents disclosed in this report cover COSCO SHIPPING North America and its subsidiaries.

Data Source

The information and data disclosed in this report was derived from internal documents and relevant statistical data from COSCO SHIPPING North America.



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01 | Message from the Chairman



Under the leadership of the COSCO SHIPPING Group and through the dedication of our entire workforce, we made significant progress in embedding sustainability into every aspect of our operations while achieving record business performance. The 2024 COSCO SHIPPING North America ESG Report highlighted our achievements over the past year, outlined strategic priorities for 2025 and 2026, and demonstrated how operational excellence and environmental and social responsibility advanced in tandem.

COSCO SHIPPING North America has built a strong and diversified presence across the United States, Canada, Mexico, Panama, and the Caribbean, overseeing approximately thirty subsidiaries and joint ventures. Our operations span container shipping, integrated logistics, terminals, equipment leasing, bulk and tanker transport, bunkering, marine engineering, and real estate. We remain committed to serving our stakeholders—including customers, port authorities, regulators, employees, and local communities—through transparency, service excellence, and shared sustainability goals.

In 2024, sustainability became a cornerstone of our strategy. Across environmental, social, and governance dimensions, we achieved measurable progress: shore power utilization reached 100% at Oakland and 96.5% at Los Angeles and Long Beach, sharply reducing vessel emissions; vessel speed reduction compliance exceeded 99% under the National Oceanic and Atmospheric Administration's Protect Blue Whales and Blue Skies program; and electric drayage trucks handled 5% of total moves, with a goal to double this share in 2025. We also recorded zero OSHA-reportable incidents across all North American operations. Community engagement

expanded through career fairs, charity drives, and tree-planting campaigns in Panama, further strengthening relationships with local stakeholders.

Our environmental initiatives continued to gain momentum, focusing on emission reduction, marine ecosystem protection, and energy efficiency enhancement. These efforts earned industry recognition for achievements in vessel speed reduction, shore power connectivity, marine habitat protection, and terminal performance. In 2024, we accelerated our low-carbon transition by ensuring full compliance with EPA and CARB fuel standards and by adopting slow steaming practices to reduce emissions. On land, fleet upgrades included Euro 5 trucks in Panama and the expanded deployment of electric trucks in the United States and Canada. Energy efficiency was further improved across terminals and warehouses through LED lighting, solar power systems, and optimized HVAC upgrades, contributing to lower carbon intensity. Notably, our marine terminals reported zero violations under California's Marine Invasive Species Program, reaffirming our commitment to environmental stewardship.

We also strengthened our investment in people and communities. For the third consecutive year, we

maintained a zero-incident safety record while expanding diversity and inclusion initiatives that promoted female leadership and local hiring. Community programs—including coastal cleanups, career fairs, and educational partnerships—reinforced our role as a responsible corporate citizen across North America.

Robust governance frameworks underpinned all our activities, ensuring transparency, accountability, and resilience. The Board and its committees provided oversight across strategic, sustainability, and risk management areas. Our zero-tolerance anti-corruption policy was reinforced through employee ethics training and due diligence measures. Cybersecurity was further strengthened through ISO 27001 certification, comprehensive multi-factor authentication, and consistently low phishing click rates. We also maintained full compliance with FMC, OSRA 2022, CARB, and U.S. Customs regulations, demonstrating adherence to international standards and best practices.

Looking ahead to 2025 and 2026, the company plans to continue advancing its decarbonization journey by significantly increasing the share of electric drayage trucks, exploring low-carbon vessel technologies,

and deploying energy-efficient terminal equipment. We also aim to further digitize supply chains through real-time control towers, enhanced cross-border logistics, and expanded e-commerce fulfillment capabilities. Governance priorities will focus on strengthening cybersecurity, ensuring regulatory compliance, and deepening stakeholder engagement. Above all, we remain committed to empowering our people and communities through leadership development, technical training, and collaborative partnerships that drive shared success.

As we move into the new year, the company continues to advance its sustainability agenda, enhance operational resilience, and build a future defined by growth, responsibility, and collective progress.

Mr. Chen Zheyu
Chairman of COSCO SHIPPING North America

02 | Company Overview

Headquartered in Secaucus, New Jersey, COSCO SHIPPING North America served as the regional management center of China COSCO SHIPPING Corporation Limited (“COSCO SHIPPING”) and provided world-class shipping and integrated logistics services. As the governing entity for COSCO SHIPPING’s operations across North America, Central America, and the Caribbean, the company oversaw a strong network of more than 30 subsidiaries and joint ventures in the United States, Canada, Mexico, and Panama, building a solid and diversified business presence. Over the years, the company established a stable and diversified footprint in the region and became one of the leading end-to-end supply chain service providers in North America, distinguished by its ocean shipping solutions.

COSCO SHIPPING North America delivered a full spectrum of end-to-end digital logistics solutions, including container shipping, bulk shipping, tanker shipping, terminal management, warehousing, trucking, freight forwarding services, bunker and vessel supply, technical support, and leasing equipment. Leveraging the global shipping resources and integrated supply chain platform of COSCO SHIPPING, the company provided comprehensive end-to-end logistics solutions across the United States, Canada, and Mexico. Its services spanned ocean freight, inland transportation, customs brokerage, warehousing, e-commerce fulfillment, and final-mile delivery.

Through its subsidiaries, COSCO SHIPPING North America held dual qualifications as a Non-Vessel Operating Common Carrier (NVOCC) and a freight forwarder. The company operated with a strong regulatory foundation and established industry credibility. With an extensive network of offices, trucking teams, warehousing assets, and trusted local vendor partnerships across North America, the company maintained close collaboration with all six “Class I” railroads and leading domestic intermodal service providers, covering major ports and cities in the United States, Canada, Mexico, and Panama.

The company’s network connected ocean shipping customers on both the East and West Coasts, linked inland transport corridors, and delivered international intermodal door-to-door logistics and U.S.–Canada–Mexico cross-border transportation services. In the Caribbean region, the Central America subsidiary supported 26 shipping services spanning 24 countries across Latin America. Backed by advanced digital systems and a professional, multilingual team, the company provided efficient, transparent, and reliable cross-border supply chain solutions for customers in industries such as retail, building materials, healthcare, and chemical raw materials.



Key Business Units



Stakeholder Map

Stakeholder	Core Demands	Our Response
Customers	<ul style="list-style-type: none"> - Reliable and efficient services - Customized logistics solutions - End-to-end supply chain support - Equipment leasing 	<ul style="list-style-type: none"> - Provided end-to-end supply chain services - Delivered tailored logistics solutions - Offered equipment leasing support - Enhanced service satisfaction and built stable cooperation frameworks
Ports	<ul style="list-style-type: none"> - Strong operational collaboration - Environmental compliance - Sustainability initiatives 	<ul style="list-style-type: none"> - Maintained close partnerships with ports in the region. - Participated in Green Flag Program & Protect Blue Whales, Protect Blue Skies
Regulators	<ul style="list-style-type: none"> - Regulatory compliance - Transparency in operations - Legal and antitrust adherence 	<ul style="list-style-type: none"> - Monitored regulatory changes closely - Addressed FMC complaints, DOJ inquiries, and OSRA 2022 obligations - Ensured timely submissions to FMC, CBP, and CARB
Employees	<ul style="list-style-type: none"> - Career development opportunities - Fair compensation and promotion - Safety and compliance awareness - Retention support - Corporate social responsibility - Sustainability engagement - Community support 	<ul style="list-style-type: none"> - Expanded online training opportunities - Optimized compensation and promotion systems - Participated in environmental and community initiatives - Strengthened talent retention measures - Conducted safety drills and compliance training
Media	<ul style="list-style-type: none"> - Accurate corporate information - ESG and sustainability reporting - Timely updates 	<ul style="list-style-type: none"> - Provided transparent communications and address media inquiries. - Highlighted sustainability achievements - Shared compliance and performance updates

03 | 2024 Performance Highlights

Our Sustainability Focus

We have advanced our sustainability agenda by prioritizing compliance, decarbonization, workforce development, and community engagement. Our efforts were centered on three key pillars:

Environmental Stewardship

Reduced vessel and trucking emissions, expanded shore power connectivity, and aligned operations with global and regional climate regulations. Enhanced sustainability through eco-efficient warehousing, smart energy management, and increased use of renewable energy.



Social Responsibility

Strengthened employee safety programs, promoted diversity and inclusion, and cultivated a sustainable, locally engaged workforce.

Governance

Deepened local partnerships, ensured full compliance with environmental and industry regulations, and advanced transparency through robust ESG reporting practices.

Performance Highlights

Indicator	Unit / Definition	2023	2024	YoY change / Notes
GHG Emissions (consolidated)	tCO2e (Scope1+2totals reported)	9,823	9,916	+93 t (+1.0%)
Shore Power – Eligible Calls	# calls in CA region	137	150	+13 calls
Shore Power – Compliant/Connected Calls	# of calls	124	145	+21 calls
Shore Power – Compliance/Connection Rate	% of eligible calls connected	90.5%	96.7%	+6.2 pp (OAK 100%; LA/LB 96.5%)
Vessel Speed Reduction – Long Beach (Tier 1, 20 NM)	% compliance	100% (201 calls)	100% (279 calls)	Volume ↑ (+78 calls)
Vessel Speed Reduction – Long Beach (Tier 2, 40 NM)	% compliance	99.50%	99.64%	+0.14 pp



04 | Awards and Honors

United States

Participated in the National Oceanic and Atmospheric Administration’s Protect **Blue Whales**, Protect Blue Skies program and received **the Sapphire Award**—the highest recognition for reducing vessel speeds to protect marine mammals and improve air quality.



Earned multiple port and terminal certifications, including **Green Flag Certificates** for 40NM Tier 2 compliance at the Ports of Long Beach and Los Angeles.



Achieved Certified Participant status under the **Green Marine** Program, with West Basin Container Terminal recognized for excellence in energy efficiency, greenhouse gas reduction, spill prevention, and community impact management.



Panama

Received recognition from Panama’s Ministry of Environment for our trucking fleet **compliance with the Euro 5 Emission Standard**.

Canada

Earned the **Green Wave Award** from the Prince Rupert Port Authority for being the first container line to connect to shore power.



Received the **Blue Circle Award** from the Vancouver Port Authority for environmental leadership and sustainability performance.



05

Environmental Stewardship



| Clean Trucking | Vessel Speed | Waste & Water Management | Low-Sulfur Marine
| Shore Power | Energy Efficient Warehousing | Office Building Initiatives

Environmental Stewardship



We have demonstrated environmental leadership through comprehensive initiatives that focused on emission reduction, clean energy adoption, and sustainable infrastructure development across the United States, Canada, and Panama.

Clean Trucking

United States



In the United States, we advanced a range of low-carbon trucking initiatives to support cleaner, more efficient transport operations. Our electric drayage trucks accounted for 5% of total moves, supported by optimized routing technologies that reduced fuel consumption and emissions. The company also participated in the Port of Los Angeles Clean Truck Program, a joint initiative between the Ports of Los Angeles and Long Beach aimed at accelerating the adoption of zero-emission drayage trucks. Additionally, Sea Trade strengthened partnerships with vendors operating CARB-certified electric trucks, aligning with our broader decarbonization goals.

Panama

In Panama, we have been recognized for reducing the carbon footprint of its trucking operations through the adoption of Euro 5 engine standards across its fleet. This initiative enhanced fuel efficiency, lowered emissions, and improved local air quality, demonstrating the company's continued commitment to sustainable transportation and environmental responsibility in the region.

Canada and Mexico

In Canada and Mexico, we collaborated with carriers that prioritize clean and sustainable transport, including the use of electric vehicles. These partnerships helped reduce greenhouse gas emissions and advance our ESG objectives, contributing to the development of more sustainable and resilient supply chains across both countries.



Vessel Speed Reduction

We have implemented vessel speed reduction measures across key trade services, which resulted in measurable improvements in fuel efficiency and emissions performance compared with 2023. Average operating speeds decreased from **15.4 to 14.7 knots** on the MCX service, from **14.8 to 14.3 knots** on the ECX service, and from **15.6 to 15.2 knots** on the BZX service.



United States

In the United States, we collaborated with the National Oceanic and Atmospheric Administration through the Protecting Blue Whales and Blue Skies program—a joint initiative led by National Oceanic and Atmospheric Administration's National Marine Sanctuaries, California air pollution control districts, the California Marine Sanctuary Foundation, and other nonprofit organizations. This voluntary vessel speed reduction program aims to protect marine life, improve air quality, and promote quieter ocean environments. The Southern California program area extends from Point Arguello (Santa Barbara County) to the waters near Dana Point, encompassing the Ports of Los Angeles and Long Beach.



As one of the largest container shipping operators in the Los Angeles–Long Beach region, we actively supported the initiative. Throughout the year, we operated 89% of its total transit distance at or below 10 knots within designated speed reduction zones, earning the Sapphire Award, the program’s highest recognition. This achievement reflects our enduring commitment to environmental stewardship and leadership in advancing sustainable shipping practices.



At the West Basin Container Terminal in Los Angeles, the terminal achieved a 99% compliance rate with the expanded Vessel Speed Reduction program, maintaining speeds **at or below 12 knots** within 40 nautical miles of the coast.

Canada

In Canada, most voyages operated at an economic speed of 20–22 knots, a balanced range that enhanced fuel efficiency, reduced operating costs, and lowered greenhouse gas emissions.

Waste & Water Management

All of our vessels complied with the California Marine Invasive Species Program requirements for ballast water treatment, biofouling management, and reporting, with no violations recorded.

Low-Sulfur Marine Fuel Usage

All of our vessels calling at North American ports fully complied with EPA and CARB regulations governing low-sulfur marine fuel usage and fuel-switching requirements within California and the North American Emission Control. We achieved **100% compliance with the 0.1% sulfur fuel limit**, and no violation reports were issued by the U.S. Coast Guard.

Shore Power

United States

In the United States, we employed slow-steaming operational strategies that remained effective even during periods of port congestion, while shore power connections were prioritized at all major ports.



At Pier J in Long Beach, California, Pacific Container Terminal reported total shore power usage of 7,842,981 kWh, with quarterly consumption of 1,585,239 kWh in Q1, 2,014,720 kWh in Q2, 2,280,455 kWh in Q3, and 1,962,567 kWh in Q4.

Shore Power Usage			
Q1	Q2	Q3	Q4
1,585,239 kWh	2,014,720 kWh	2,280,455 kWh	1,962,567 kWh

At West Basin Container Terminal in Los Angeles, California, operations achieved full compliance with the CARB At-Berth Regulation, with all vessels either connected to shore power or utilizing emission-capture barges.

Across California ports, shore power systems achieved 100% connection rates at Oakland and over 96% at Long Beach and Los Angeles.

Canada

In Canada, we were the first container line to connect to shore power in both Prince Rupert and Vancouver, underscoring its commitment to advancing environmentally responsible port operations in Canada. We maintained 100% compliance with shore power requirements at all applicable ports, reinforcing its dedication to clean and sustainable operations.

Energy Efficient Warehousing

United States

In the United States, our facilities adopted LED lighting, energy-efficient HVAC systems, and electric forklifts, reducing energy intensity while enhancing operational efficiency. We have also collaborated with third-party warehouses to prioritize green technologies and implement advanced energy management systems, improving both sustainability and performance. Additionally, our warehouse partners installed solar panels and electric vehicle (EV) charging stations to further promote clean energy use and operational sustainability.



Panama

In Panama, we have achieved ISO 9001:2015 certification for quality and efficiency, with plans to pursue ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) certifications in the future.

Office Building Initiatives

United States

In the United States, initiatives such as paperless workflows, recycling programs, energy-efficient air conditioning, and employee green awareness campaigns resulted in measurable reductions in electricity and paper consumption. Emphasizing circular economy principles and reverse logistics, we have ensured that returned goods were inspected, repaired, or recycled to extend product lifecycles and reduce waste. Collaboration with clients on product and packaging recycling programs further promoted sustainable practices and reinforced the company's commitment to environmental responsibility. Our office also achieved a **12.3% reduction in energy intensity and a 34.3% decrease in water use**, reflecting its dedication to energy efficiency and sustainable facility management.

Panama

In Panama, our office reduced paper use by 7% and implemented recycling and energy-saving campaigns.

Canada

In Canada, motion-sensor lighting has been installed to reduce energy consumption.



06

Social



| Our People | Our Community

Social

Our People

Employee Health & Safety



We have maintained a strong focus on workplace health and safety by implementing and upholding several critical policies, including:

Anti-Workplace Violence Measures

We maintained a zero-tolerance policy for threats, intimidation, and violence at any company location or work-related setting (including remote/field sites). The policy defined prohibited conduct, outlines de-escalation expectations, and establishes a Threat Assessment & Response Team (HR, Legal & Risk, Security, site management). Employees, contractors, and visitors must report concerns immediately via their manager, HR, or the confidential hotline; retaliation is prohibited. The company may implement interim safety measures (e.g., access restrictions), coordinate with law enforcement, and seek protective orders where warranted. Annual training covers warning signs, bystander responsibilities, and emergency procedures.

Anti-Discrimination and Anti-Harassment Protections

We provided equal employment opportunities and a workplace free of unlawful discrimination and harassment based on protected characteristics under applicable U.S./Canadian law. The policy applied to all employment decisions and daily conduct, including third-party interactions. It defines harassment (including sexual harassment), explained complaint options (manager, HR, hotline), sets prompt, impartial investigation standards, and detailed corrective actions up to termination. According to the policy, confidentiality was protected to the extent possible, and anti-retaliation safeguards applied to all reporters and witnesses. Additionally, mandatory onboarding and annual refresher trainings reinforced expected behavior and manager responsibilities.

Comprehensive Drug and Alcohol Policies

To protect safety and ensure regulatory compliance, employees were required to be fit for duty and free from impairment while working or representing the company. The policy prohibited the possession, use, sale, or being under the influence of illegal drugs, and alcohol restrictions applied during work hours, on company premises, and while performing driving duties. There was testing that was conducted pre-employment, post-incident, under reasonable suspicion, and for return-to-duty situations, along with any DOT-mandated testing for covered roles. The policy also included procedures for prescription disclosures in safety-sensitive positions, outlined consequences for violations, and provided employees with access to Employee Assistance Program resources.

Diversity & Inclusion (D&I)

We have advanced our Diversity and Inclusion initiatives by implementing flexible workplace policies that accommodated religious practices, family obligations, disabilities, and cultural needs.

Juneteenth was formally recognized as a company holiday, underscoring the organization's commitment to cultural awareness and equity. Additionally, promotion and advancement processes were made more transparent, with clearly communicated, fair, and consistent criteria that supported equal opportunity for all employees.

Gender Equality

Gender equality across management positions continued to progress toward a more inclusive and equitable workplace. At COSCO SHIPPING North America, women represented 28% of management roles and 11% of executive positions in 2023, shifting to 15% of managers and 8% of executives in 2024. At COSCO SHIPPING Lines North America, women held 36% of management positions and 17% of executive roles in 2023, increasing to 37% of managers and maintaining 12% of executives in 2024. These results demonstrate the company's ongoing commitment to achieving balanced representation by expanding leadership opportunities for all employees—regardless of gender—through inclusive recruitment, equitable advancement practices, and comprehensive leadership development initiatives.

Employee Engagement

To promote a positive and inclusive workplace culture, we organized several employee engagement activities, including:



A Halloween costume competition

A holiday cookie decorating party

These activities helped foster team cohesion, creativity, and employee well-being.

Our Community

Community Engagement

In the United States, we actively contributed to community initiatives and outreach efforts, including:



Community Career Fairs

We participated in regional community career fairs to connect with emerging talent and promote maritime/logistics careers. Activities included on-site resume reviews, internship briefings, and entry-level role introductions.



City of Secaucus Backpack Drive

We donated 300 backpacks and essential supplies for local students from low-to-moderate-income households for the town of Secaucus.



City of Secaucus Holiday Toy Drive

We supported the town of Secaucus' holiday toy drive to provide over 70 high-quality & age-appropriate gifts to families in need.

Volunteer Engagement

In Panama:

We organized beach cleanups at María Chiquita Beach in Colón Province, working with the local community to remove waste and debris, protect marine life, and preserve coastal ecosystems.



We have also partnered with the Moviendo Vidas Siembra Tu Árbol Foundation to donate and plant 50 saplings of native species, supporting reforestation and the protection of natural habitats.



These initiatives reflect our commitment to community engagement, environmental stewardship, and social well-being beyond the workplace.

07

Governance



Governance

Corporate Governance Framework

COSCO SHIPPING North America established a clear governance structure that ensured effective oversight, accountability, and transparency. The Board of Directors, which consisted of six members including the Chairman, has been responsible for setting corporate strategy, supervising management performance, and overseeing risk management.

The Board was responsible for approving strategy, appointing and evaluating senior executives, and ensuring compliance with applicable laws and regulations.

The Management Team, led by the Chairman, implemented Board resolutions and managed daily operations.

Specialized Committees provided targeted oversight:

Strategy & Investment Committee

The committee oversaw long-term strategy, annual operating plans, and major investments or partnerships. The committee reviewed business cases, capital allocation, and ROI/IRR assumptions; tracked post-investment performance and portfolio optimization; and recommended strategic updates to the Board.

Nomination Committee

The committee managed Board composition and succession planning. It defined director qualifications—including skills, independence, and diversity—identified and vetted candidates, and recommended appointments or renewals. The committee also oversaw director onboarding, training, and the annual Board self-assessment process.

Compensation & Evaluation Committee

The committee set the executive compensation philosophy and pay structure, approved CEO and senior executive goals and incentive plans (both short-term and long-term), reviewed performance evaluations and compensation outcomes, monitored internal pay equity and key retention plans, and recommended related resolutions to the Board.

Audit & Risk Management Committee

The committee oversaw financial reporting integrity and internal controls, supervised the Internal Audit function (including plans, findings, and remediation actions), and monitored enterprise risk through the risk register, risk appetite, and mitigation status. The committee also oversaw compliance with anti-bribery and anti-corruption (ABAC) policies, sanctions and export controls, and customs and maritime regulations; managed whistleblowing and anti-retaliation mechanisms; and coordinated with the Legal & Risk and BPS/IT teams on privacy, cybersecurity, and ESG-related risk disclosures.

Code of Conduct and Compliance Framework

COSCO SHIPPING North America operated under a Code of Conduct and Business Ethics Policy that established clear expectations for professionalism, confidentiality, and compliance with all applicable laws. This framework was reinforced by key policies:



Equal Employment Opportunity, which ensured merit-based decisions and prohibited discrimination or harassment;

Workplace Safety, which enforced zero tolerance for violence, harassment, and substance misuse;

Fairness & Inclusion, which reflected the company's commitment to diversity, respect, and accountability.

The company also maintained strict compliance with U.S. federal, state, and local regulations, as well as international maritime conventions, ensuring that all operations met the highest ethical and legal standards.

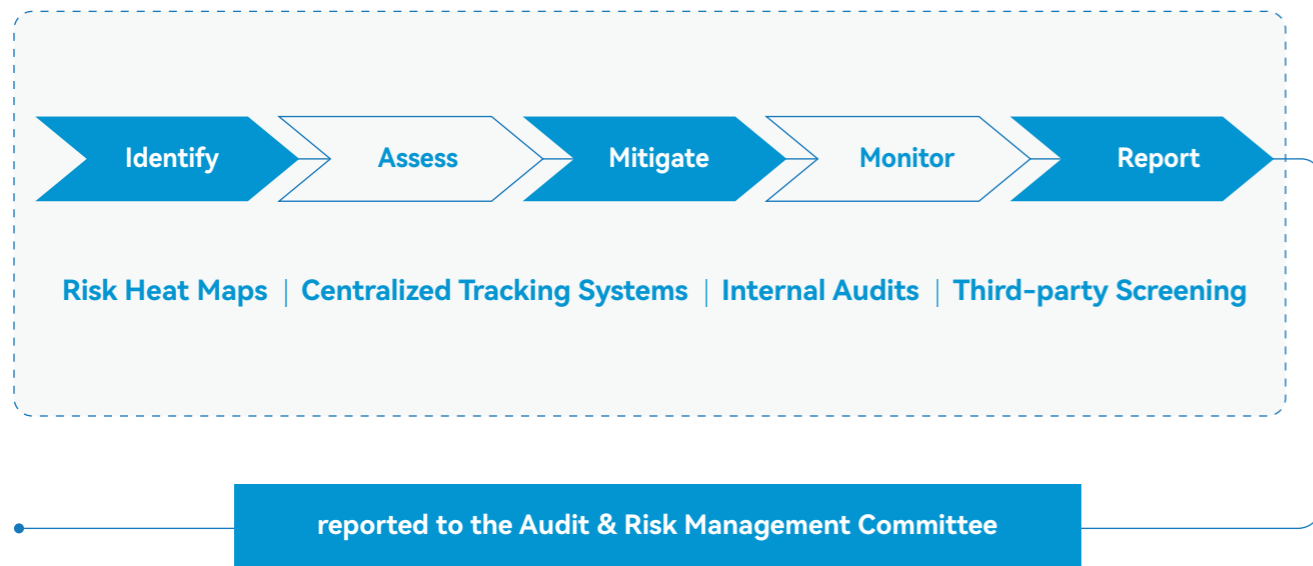
Anti-Corruption and Regulatory Compliance

COSCO SHIPPING North America maintained a zero-tolerance policy toward corruption and bribery—reinforced through mandatory training for employees in high-risk functions, strict controls on gifts, hospitality, and entertainment, and rigorous due diligence on agents, suppliers, and partners. The company promoted transparency by maintaining accurate financial records and implementing dual-approval requirements for key transactions.

In addition, COSCO SHIPPING North America upheld strong whistleblower protections and provided confidential reporting channels, fostering a culture of accountability, integrity, and ethical conduct across all operations.

Risk Management and Crisis Preparedness

COSCO SHIPPING North America followed a structured risk management cycle—identify, assess, mitigate, monitor, and report—in alignment with recognized international frameworks, with outcomes reported to the Audit & Risk Management Committee. Key risk areas included operational, compliance, environmental, financial, cybersecurity, and reputational risks. To evaluate exposure and verify control effectiveness, we utilized risk heat maps, centralized tracking systems, internal audits, and third-party screening, with remediation actions monitored through to closure.



COSCO SHIPPING North America’s crisis preparedness was supported by a documented Crisis Response Plan and designated response teams with clearly defined roles and responsibilities. The company conducted periodic simulations and tabletop exercises to validate escalation, communication, and recovery procedures in coordination with the Legal & Risk and BPS/IT teams.

Data Privacy and Cybersecurity

COSCO SHIPPING North America implemented robust cybersecurity policies across all subsidiaries to safeguard infrastructure, assets, and data, with frameworks aligned to international standards such as ISO 27001. These measures included:

Role-Based access controls with quarterly reviews and secure asset lifecycle management; daily backups with ransomware protections and disaster recovery testing; and comprehensive data loss prevention supported by encryption and tiered data classification (Restricted, Confidential, Internal, Public).COSCO SHIPPING North America also enforced strict patch management practices, deploying critical patches within 72 hours and emergency patches within 24 hours, while maintaining physical security through CTPAT-compliant facility access controls.

In addition, COSCO SHIPPING North America placed strong emphasis on employee training and awareness, ensuring annual cybersecurity training with high completion rates, conducting regular phishing simulations with minimal click-through rates, achieving full adoption of multi-factor authentication, and maintaining continuous cybersecurity communications across the organization.

Supply Chain and Third-Party Governance

At COSCO SHIPPING North America, all vendors and suppliers were required to comply with international maritime conventions, sanctions and export-control laws, fair labor standards, and anti-corruption requirements, as outlined in our contracts and Supplier Code of Conduct.

Prior to on-boarding, we conducted risk-based due diligence, including screening against sanctions and denied-party lists, as well as evaluating operational capacity and compliance history. Supplier engagements were monitored through periodic reviews and audits, annual compliance certifications and attestations, and contractual right-to-audit and flow-down clauses, with corrective actions tracked through to closure. In cases of non-compliance, the company implemented remedial measures, suspended services, or terminated contracts as appropriate. Serious or unresolved issues were escalated to regulators in accordance with applicable laws.



Stakeholder Engagement and Transparency

COSCO SHIPPING North America maintained open communication with U.S. regulatory agencies, port authorities, and local communities, guided by the principles of accuracy, timeliness, transparency, professionalism, and consistency. To support this, regulatory liaisons and spokespersons were appointed, routine regulatory reports and incident notifications were issued, and compliance registers and accurate records were maintained for a minimum of five years.

Additionally, the company actively engaged with classification societies and industry groups to remain informed about evolving regulatory requirements and industry best practices.

08 | Prospect

Strategic Priorities for 2025–2026

Our strategic priorities for 2025–2026 focus on decarbonization, ensuring compliance with state and federal emissions regulations, including California’s emission reduction mandates. The company is advancing its digital transformation by enhancing real-time visibility and control across supply chains. Sustainable infrastructure remains a priority, with investments in renewable energy solutions at terminals and warehouses. Workforce development will be strengthened through leadership training and diversity and inclusion initiatives.

Market opportunities include expanding e-commerce logistics and cross-border services with Mexico and Canada, as well as partnering with renewable energy providers and green shipping technology firms. Risk and resilience planning will address potential geopolitical tensions, regulatory changes, climate risks, and enhance cybersecurity and supply chain transparency.

We will continue community and stakeholder engagement through environmental and educational initiatives, partnerships with local NGOs, and enhanced transparency, including regular ESG reporting and climate risk disclosures. Key performance indicators will track progress in reducing greenhouse gas emissions, increasing renewable energy use, and aligning ESG reporting with international standards.

