

## **COSCO Group implements Global Compact and establishes CSR Management System**

COSCO Group has been working closely with China Global Compact Office under the United Nations according to the ten principles of Global Compact since it became a member of Global Compact in January 2005. COSCO has formulated the Global Compact and Sustainable Development Plan of its own. It has issued the Guidelines on Building a Resource-efficient Enterprise and Implementing Global Compact to call for establishing a resource-efficient and harmonious enterprise.

The general guidelines of COSCO are to make correct decisions, adopt scientific management methods, provide high-quality services, build up a harmonious enterprise, implement comprehensive risk management and Global Compact , and fulfill the harmonious and sustainable development of corporate values with cultural environment and natural resources.

Up to now, COSCO has reorganized its business processes to meet the requirements of the Global Compact's Guidance on Corporate Social Responsibility Management System and GRI Sustainable Development Guidance. It has performed the provisions of Global Compact in the decision-making and business processes. COSCO Group has established the Social Responsibility and Harmonious Enterprise Management Procedures and the Sustainable Development Reporting Procedures, and formulated work procedures to require all employees to perform the social responsibilities of Global Compact practically.

COSCO Group always acts as an undertaker of social responsibility in its management and operation processes. It promotes the application of full mill to reduce the oil consumption and the pollution to the environment. In the projects such as the construction of Nantong Shipyard, COSCO gives first priority to environment protection. All group newbuildings should adopt environmental-friendly design. It also advocates the use of cars with small cylinder capacity, and requires all newly-brought cars to meet energy-saving requirements. It established the long-term safety mechanism to ensure the security and pollution prevention level of the group to be in a leading position in the industry. Besides, the group also made a big donation to Alaska Sealife Center for protection of the diversity of ocean species. It has persisted in providing economic aids to Tibet and established the first charity fund in China to contribute to the sustainable development of the world.

A number of honors have been granted to COSCO Group for its great contribution. In March 2004, the Port of Long Beach issued the Port Pilot Award to Capt. Wei Jiafu, group president and CEO, to award his contribution to China-US trade and the shipping industry of the world. In 2004, COSCO Group was awarded the Adaptive Enterprise in Asia and Pacific region. In 2005, Capt. Wei Jiafu was appraised one of “2005 CCTV Person of the Year of China’s Economy”. And in the same year, COSCO Group got the honor of one of the most influential enterprises, and Capt. Wei Jiafu was awarded one of the most admired entrepreneurs.

COSCO Group plans to complete the Report on Sustainable Development and Social Responsibilities centered on environment protection, resource-savings and anti-corruption, which will be submitted to the United Nations for evaluation in the third quarter of 2006.