

China COSCO Shipping

China COSCO Shipping is a fully state-owned company headquartered in China. In 2021 its revenue was USD 48.36 billion. COSCO is a multinational conglomerate founded in 1961 focused on marine transportation and the management of port terminals. It is the fourth largest container shipping company by capacity in the world.

Summary

China COSCO Shipping (COSCO) ranks 82nd with an ACT rating of 1.8E-, a Just Transition score of 0.6/20 and a Core Social score of 0.5/20.

COSCO has committed to achieving carbon neutrality by 2060 in line with the Chinese government's national strategy. However, the company has not disclosed details of how it plans to reach this target and there is no evidence that the company is currently taking significant action to reduce its emissions. COSCO states that it will use "alternative fuels" to help decarbonise its fleet however it has not committed to invest in the necessary research and development (R&D) to make these fuels viable at scale.

While the company discloses its training and education programmes for workers and affected stakeholders, it can increase disclosure on all just transition topics. Additionally, the company can strengthen its commitments on all human rights, decent work and ethical business fundamentals.

RANKING POSITION

#82/90

TOTAL SCORE

3.7/100

ACT

2.6/60

CORE SOCIAL INDICATORS

0.5/20

JUST TRANSITION

0.6/20

ACT SCORE COMPONENTS

PERFORMANCE SCORE

1.8/20

NARRATIVE SCORE

A B C D **E**

TREND SCORE



Performance module name	Targets
Performance module score	0.0 /100
Rank (0-90):	#59
Performance module name	Material investment
Performance module score	0.0 /100
Rank (0-90):	#53
Performance module name	Intangible investment
Performance module score	0.0 /100
Rank (0-90):	#64
Performance module name	Sold products
Performance module score	N/A
Rank (0-90):	
Performance module name	Management
Performance module score	35.0 /100
Rank (0-90):	#52
Performance module name	Supplier engagement
Performance module score	16.7 /100
Rank (0-90):	#42
Performance module name	Client engagement
Performance module score	18.8 /100
Rank (0-90):	#44

Performance module name Policy engagement

Performance module score  20.0 /100

Rank (0-90): #38

Performance module name Business model

Performance module score  0.0 /100

Rank (0-90): #55

ACT assessment

Leading practices

No leading practices were identified for this company.

Risks and opportunities

Low-carbon transition plan

There is no evidence that COSCO has a comprehensive transition plan. The company demonstrates elements of transition planning through its carbon neutrality target and its intermediate emissions intensity target. However, the plan contains insufficient detail on how it will achieve its target and it lacks financial commitments. The company should improve its transition plan so that it includes verifiable and quantifiable key performance indicators and financial commitments. The plan should be informed by scenario analysis to ensure that the company's ambition is aligned with a 1.5°C pathway.

Intangible investment

There is no evidence that the company is investing in R&D on low-carbon vehicles and technologies. The company states that it intends to transition to a fleet which uses alternative fuels. However, these fuels are currently not viable at scale and there is no indication that the company is planning to financially contribute to the development of these technologies. The company should start investing in R&D on low-carbon fuels to increase the credibility of its long-term target.

Material investment

COSCO does not disclose sufficient data to be scored on its alignment with its 1.5°C pathway or to determine whether it is expected to exceed its future carbon budget. The company should improve its disclosure as its current climate and emissions reporting does not provide sufficient detail to give a full view of its decarbonisation progress and plans. Enabling the measurement of the company's progress toward its targets encourages accountability.

Trend

COSCO receives a trend score of -. If the company were reassessed in the near future, its score would likely decrease. The company has set a carbon neutrality target for 2060, however it has not provided any details of how it plans to achieve this target. There is no evidence that the company is currently taking any significant action to reduce its emissions. COSCO has implemented board-level oversight of climate change, however it has not included emissions reduction in its executive compensation and has not conducted climate scenario analysis.

Progress towards the Paris Agreement

Commitment

COSCO has committed to achieving carbon neutrality by 2060 in line with the Chinese government's national strategy. The company has set an intermediate target to reduce the emissions intensity of its container shipping by 12% by 2030 compared to 2019.

Transition plan

COSCO states that it will achieve its targets by monitoring fuel consumption and putting in place energy efficiency improvements with long term plans to use liquified natural gas (LNG) and

“alternative fuels”. No details or commitments are disclosed.

Present

COSCO has put in place monitoring systems to analyse and optimise fuel consumption. There is no evidence that the company is taking further action beyond complying with relevant international regulations.

Legacy

The company’s absolute GHG emissions increased between 2018 and 2021. However, as the company does not disclose activity data, the significance of this increase could not be assessed.

Consistency

COSCO’s ambition to reach net zero by 2060 is undermined by the scarcity of detail in its transition plan and lack of ambition in its intermediate target. The company has not developed a vision of what its business will look like in a low-carbon future.

Social assessment

Just transition assessment

Social dialogue and stakeholder engagement

No evidence was found of the company’s commitment to social dialogue or of the categories of stakeholders the company engages with on a just transition. Furthermore, no evidence was found to demonstrate the company’s ongoing social dialogue and meaningful engagement with affected stakeholders.

No evidence was found of the company undertaking low-carbon transition planning to mitigate the social impacts of the transition on workers, affected stakeholders and its business relationships. Additionally, no evidence was found to demonstrate the company’s engagement in social dialogue or engagement with stakeholders in its just transition planning.

Green and decent jobs and skills

No public commitment by the company was found stating its intention to create and support access to green and decent jobs as part of the low-carbon transition. Moreover, no evidence was found of the company’s action to promote these jobs in a way that ensures gender balance and inclusion of vulnerable groups. Additionally, no relevant disclosure was found of the company’s assessment of employment dislocation risks.

The company discloses the actions it takes to provide training and education opportunities for workers and affected stakeholders. For instance, it established the COSCO Shipping University, offering education and training programmes. The company also provides educational support to schools and students in low-income areas. However, no relevant disclosure was found of the company embedding equality of opportunity for women and vulnerable groups in these actions. Furthermore, no evidence was found of the company having a process for identifying skills gaps for workers and affected stakeholders or a public commitment to help workers displaced by the transition to reskill or upskill.

Social protection, social impact management and advocacy

No relevant disclosure was found to show if the company identifies impacts of the low-carbon transition on social protection for workers and affected stakeholders, nor how it contributes to social protection. Additionally, no evidence was found that the company expects its business relationships to contribute to the social protection of their workers and affected stakeholders.

No relevant disclosure was found to show how the company identifies any misalignment of its lobbying activities with policies and regulations that support the just transition, nor of the measures it takes to address misalignment. Furthermore, no evidence was found that the company lobbies for

policies and regulations for green and decent job creation; retention, education and reskilling; and social protection for workers.

Core social assessment

Respect human rights

No evidence in policy documents was found of a company commitment to respecting human rights or all of the ILO fundamental rights at work. Furthermore, the company can increase disclosure on its human rights due diligence process, engagement with affected stakeholders and grievance mechanisms available to workers and external stakeholders.

Provide and promote decent work

While the company discloses the gender of its workforce by employee category, no relevant disclosure was found of additional indicators of workforce diversity. Additionally, it can increase disclosure on its living wage, working hours and collective bargaining practices. Furthermore, no evidence in policy documents was found regarding a company commitment to respecting worker health and safety, nor was evidence found of a company commitment to gender equality and women's empowerment.

Act ethically

No evidence was found regarding the company's anti-bribery and anti-corruption policy, lobbying and political engagement policy or global tax strategy. Additionally, the company can strengthen disclosure regarding its protection of employees' and customers' personal data.

More about the company

Headquarters

Shanghai, China

Revenue

USD 48.36 billion

Ownership

Fully state-owned

Employees

30,980

Website

<http://en.hold.coscoshipping.com/>