



# Environmental, Social and Governance Report

# 2024



# CONTENTS

Introduction to Report | 01

Statement by Directors | 03

ABOUT US | 04

Appendix | 62

## 01

### Governance:

Govern the enterprise according to regulations and maintain sustainable economic growth

1.1 Corporate governance | 09

1.2 ESG governance | 09

1.3 Anti-corruption | 11

1.4 Intellectual property protection | 14

## 02

### Environment:

Establish environmentally friendly and green channels

2.1 Strengthen environmental management | 17

2.2 Practice energy conservation and emission reduction | 20

2.3 Combat climate change | 28

2.4 Spread green culture | 30

## 03

### Employees:

Cultivate various talents

3.1 Build a diversified team | 33

3.2 Protection for employees rights and interests | 35

3.3 Broaden development channels | 36

3.4 Care for employees health | 39

## 05

### Community:

Shoulder social responsibility bravely and jointly promote people's livelihood and lasting safety

5.1 Promoting rural revitalization | 59

5.2 Building a happy community | 60

## 04

### Industry:

Realize win-win cooperation and walk hand in hand with partners

4.1 Innovation in logistics solutions | 45

4.2 Improving quality management | 49

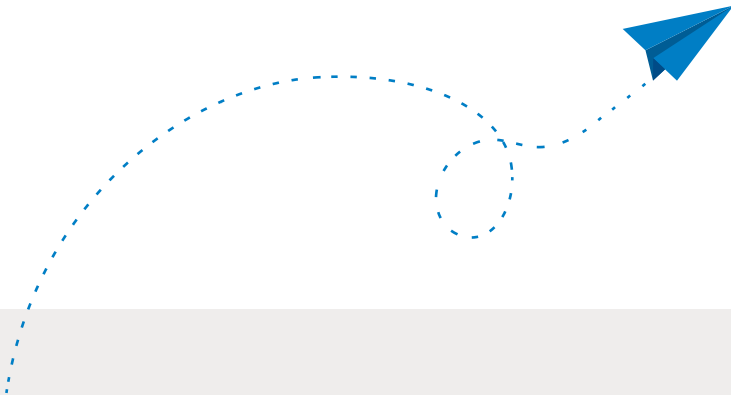
4.3 Upgrade customer service experience | 50

4.4 Building a responsible supply chain | 53

4.5 Promote industrial development | 55



# Introduction to Report



## Report period

This is the eighth environmental, social and governance (the “**ESG**”) report of Changan Minsheng APLL Logistics Co., Ltd. (stock code: 01292HK), covering the period from 1 January 2024 to 31 December 2024. In view of the continuity and comparability of the report content, some statements and data should be appropriately traced or extended.

## Preparation basis

This report has been prepared mainly with reference to the Appendix C2: Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and under the principle of materiality, quantitative, balance and consistency.

- ▼ **Materiality:** The process of stakeholder communication and identification of material issues and the list of material issues are disclosed in this report.
- ▼ **Quantitative:** The statistical criteria, methodology, assumptions and/or calculation tools for quantitative key performance indicators in this report, as well as the sources of conversion factors, are explained in the explanatory notes of this report.
- ▼ **Balance:** This report presents the performance of the Company during the reporting period in an impartial manner to avoid selections, omissions or presentation formats that may improperly affect the decision or judgment of the report readers.
- ▼ **Consistency:** Unless otherwise specified, the statistical methods and calibre used for the data disclosed in this report are consistent with those used in previous years.

## Reporting boundary:

Unless otherwise specified, the coverage of policy documents, statements and data in this report is consistent with the Company’s annual financial report.

## Addressing and representation

For the convenience of expression and reading, “the Company”, “Company” or “we” in this report refer to “Changan Minsheng APLL Logistics Co., Ltd.”.

## Content scope

This report covers the key environmental, social and governance issues and performance of the Group during the reporting period.

## Description of report data

The data and cases in this report are mainly from the Company’s statistical reports and relevant documents. The Company is committed to the truthfulness, accuracy and completeness of the report and undertakes that there are no false records or misleading representations in the report.

## Access and feedback on the report

This is an independent report. The soft copy of this report is accessible on the Stock Exchanges HKEXnews website (www.hkexnews.hk) and the Company’s official website (www.camsl.com).





Statement by Directors

The board of directors of the Company (the “Board”) is fully responsible for the supervision and management of ESG and is ultimately responsible for the Company’s ESG governance. Its main responsibilities include formulating the Company’s ESG strategy and regularly reviewing the implementation of the strategy; identifying and evaluating ESG risks and formulating a plan to deal with them; reviewing the ESG management policy and ensuring that the policy is consistently implemented and enforced; reviewing the ESG plan and targets and regularly reviewing the achievement of the ESG targets; reviewing the ESG performance. The Board has authorised the ESG Management Team to co-ordinate, implement and execute the relevant work.

Based on national planning, stakeholders’ expectations and the Company’s development strategy, the Board will continue to pay attention to sustainable development trends at home and abroad, strengthen the determination of substantive ESG issues, discuss and determine the Company’s ESG risks and opportunities, and prioritize the management and improvement of key issues for sustainable development.

The Company has prepared this ESG report in strict compliance with the disclosure requirements of *Environmental, Social and Governance Reporting Guide* published by the Stock Exchange. This report is issued after being reviewed and approved by the Board.



ABOUT US

Corporate profile

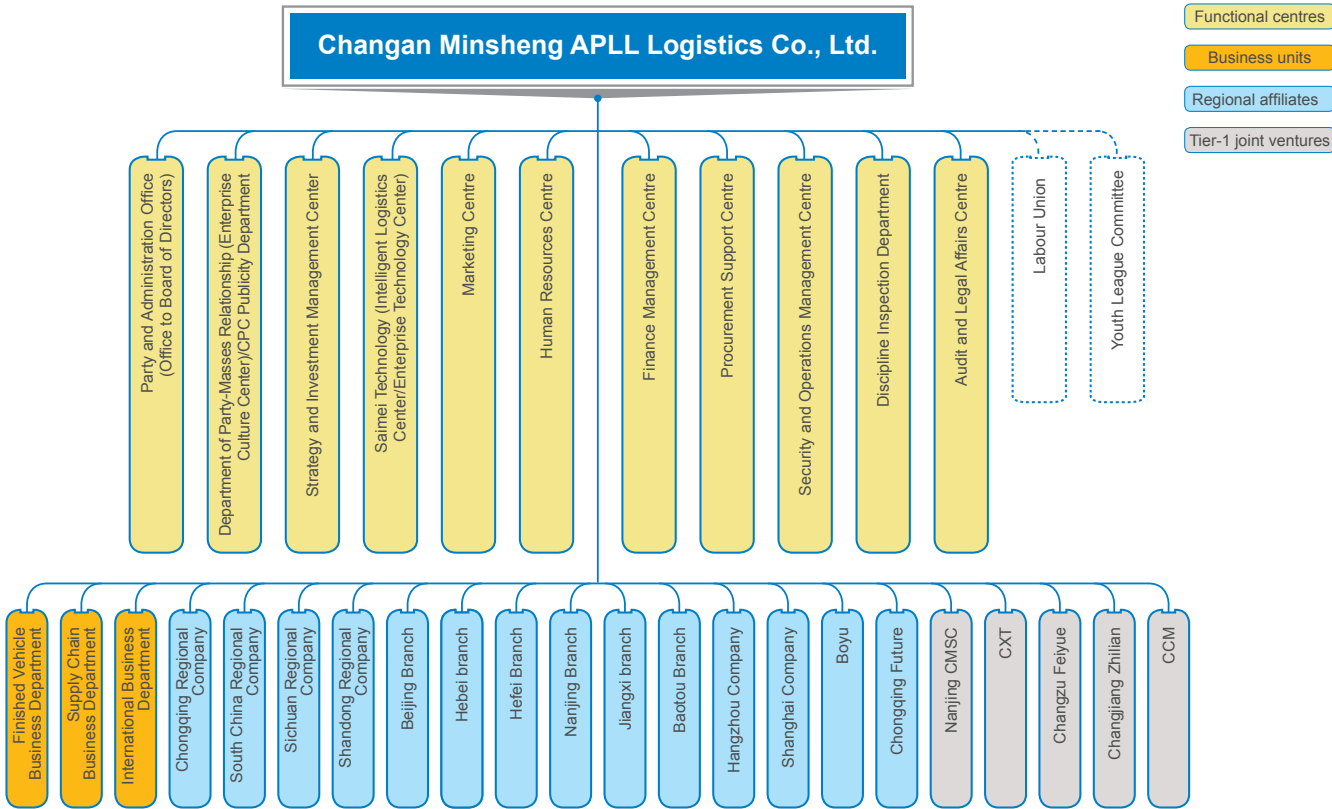
Changan Minsheng APLL Logistics Co., Ltd. is a professional intelligent logistics and supply chain platform service provider. Founded in August 2001, the Company is an automobile logistics enterprise listed in Hong Kong (stock code: HK.01292), with a registered capital of RMB162 million. Its substantial shareholders include China Changan Automobile Group Co., Ltd., Minsheng Industrial (Group) Co., Ltd. and APL Logistics Ltd.

After 24 years of development, the Company has grown into a leading intelligent logistics platform service provider in China’s automobile logistics industry and a large-scale intelligent logistics platform provider in western China. It is a national key Sino-foreign joint venture logistics enterprise, a foreign-invested pilot logistics enterprise, a national 5A comprehensive service logistics enterprise, a national advanced logistics enterprise, one of the top 50 enterprises in Chongqing’s service industry, a civilized unit in Chongqing, and a winner of Chongqing’s May Day labour medal. It has won awards such as National Innovation Achievement Award, Industrial S&T Progress Award and Logistics KPI Benchmark Award.

The Company’s main business covers all areas of industry chain and supply chain, providing customers with services such as finished vehicle logistics, parts logistics, spare parts and bulk cargo logistics, international logistics, distribution processing, procurement trade, supply chain finance and shared leasing.

Under the corporate mission of “innovating logistics services, creating a better life”, the Company is committed to becoming a trusted first-class intelligent logistics platform service provider. With a professional and efficient logistics operation management system and ability, it provides customers with integrated logistics solutions “that are cost-effective, time-saving, worry-free and value-added”.

Organization





## Enterprise Culture



### Enterprise vision

To become a world-class green intelligent supply chain logistics technology company

With “becoming world-class” as the goal, green, intelligent and digital technologies as the key, the “service leading strategy” as the cornerstone, and building “five high” (high technology, high vitality, high efficiency, high brand and high quality) as the direction, the Company is committed to transforming and upgrading from traditional logistics to a world-class green intelligent supply chain logistics technology company in 10 to 15 years by strengthening automobile logistics, expanding non-automobile logistics, and the logistics ecosystem, so that customers can trust us and entrust us with their business.



### Enterprise mission

Innovate logistics services, create a better life

Develop and innovate our logistics management process and logistics model and contribute to society in a professional and efficient manner to create a better and brighter life.

**For society:** play an active role in fulfilling our social responsibilities and make constant efforts in reform and innovation to become a pioneer and leader in the industry to finally promote a sustainable development of the society, economy and environment.

**To customers:** provide professional, efficient and high-quality one-stop logistics solutions for customers to keep creating values for them and improving their satisfaction and loyalty.

**To employees:** being contributor-valued, we build a platform full of respect, happiness, innovation, and sharing, create a fair, simple and transparent atmosphere for cooperation, keep improving our workforce, and enable our employees to pursue personal development.

**To shareholders:** we pursue a mode that is transparent, efficient, growth-centred and prudent; while focusing on business growth, we also keep improving our profitability and risk tolerance to provide our shareholders with long-term, stable and high returns.

**To partners:** we build long-term cooperation relationships with our partners for jointly creating values, sharing benefits and bearing risks under the principles of integrity, equality and win-win outcomes to pursue growth, meet challenges and win a bright future together.



### Enterprise core values

- Satisfy customers
- Cultivate employees
- Be honest and responsible
- Maintain a spirit of cooperation
- Self-criticism

## Honour



### China Culture Administration Association

Silver Award of the Voice of the Most Beautiful Brand  
First Prize for Outstanding Case in Party Building Driving Enterprise Development  
Advanced Unit of Team Building in the New Era in 2024



### China Enterprise Confederation, China Enterprise Directors Association, Chongqing Enterprise Confederation (Enterprise Directors Association)

Silver Award of the Voice of the Most Beautiful Brand  
First Prize for Outstanding Case in Party Building Driving Enterprise Development  
Advanced Unit of Team Building in the New Era in 2024



### Chongqing Federation of Labour Union

Outstanding Unit of Caring for Workers



### China Federation of Logistics & Purchasing

Top 50 Enterprises of China’s Logistics Industry  
Recommended Brands in Logistics Technology and Equipment  
AAAAA Logistics Enterprise  
KPI Benchmarking Enterprises for Automotive Parts Inbound Logistics  
KPI Benchmarking Enterprises for Automotive Finished Vehicle Logistics  
KPI Benchmarking Enterprises for Automotive After-Sales Parts Logistics  
Outstanding Innovation Cases in Automotive Logistics Industry



### Chongqing Changan Automobile Co., Ltd.

2024 Excellent Supplier  
Transformation Synergy Award



### Changan Ford Automobile Co., Ltd.

2024 Excellent Supplier







# 1 Governance

## Govern the enterprise according to regulations and maintain sustainable economic growth

The Company adheres to governing the enterprise according to law, standardizes the construction of the internal control system, actively practices clean employment, and constantly improves the governance structure of sustainable development, so as to lay a solid foundation for steady development.

1.1 Corporate governance	09
1.2 ESG governance	09
1.3 Anti-corruption	11
1.4 Intellectual property protection	14



# 1.1 Corporate governance

In strict accordance with the Company Law, the listing rules of the place of listing and the Articles of Association, the Company has continuously improved its corporate governance structure, established a relatively perfect governance system and a standardized management mode of “three meetings and one level” (the general meeting of shareholders, the Board, the Supervisory Committee and the management). The Board has four committees under it, including the Strategy and Investment Committee, Nomination Committee, Remuneration Committee and Audit and Risk Committee. As at the date of this report, the Board consists of 8 directors, including 3 independent non-executive directors and 1 chairman. In terms of professional diversity, the Company’s directors have different professional backgrounds such as finance, logistics and risk management, and can provide professional advice to the Company in different aspects; in terms of gender diversity, among the 8 directors, there are 1 female director and 7 male directors; in terms of nationality diversity, among the 8 directors, there are 7 directors from China and 1 director from Hong Kong; in terms of age diversity, the 8 directors have a wide age range, ranging from 40 to 70 years old.

The independent non-executive directors, comprising more than one-third of the Board, are independent of the Company’s management and have extensive business and financial experience in advising the Board and management on the Company’s strategic development and provide checks and balances to protect the interests of shareholders and the Company as a whole. Directors (excluding independent non-executive directors) may concurrently serve as the general manager or other senior management positions (excluding supervisors). During the year, the Company received confirmation letters from each of the independent non-executive directors regarding their independence.



## List of material issues

After analyzing the Company's ESG status quo, public opinion and peer benchmarking, as well as combining the Company's development plan and the results of stakeholder communication, the management of the Company confirmed that all issues as listed in the ESG Guide which are applicable to the business of the Company are ESG material issues for its own development. At the same time, by engaging external experts and inviting corporate executives to review the substantive issues, we have ranked the importance of each issue and responded to them herein this report. As there were no significant changes in the Company's business during the reporting period, the results of the determination of substantive issues for the current year were basically consistent with those of the previous year. The names of the specific issues and their order of importance are set out below:

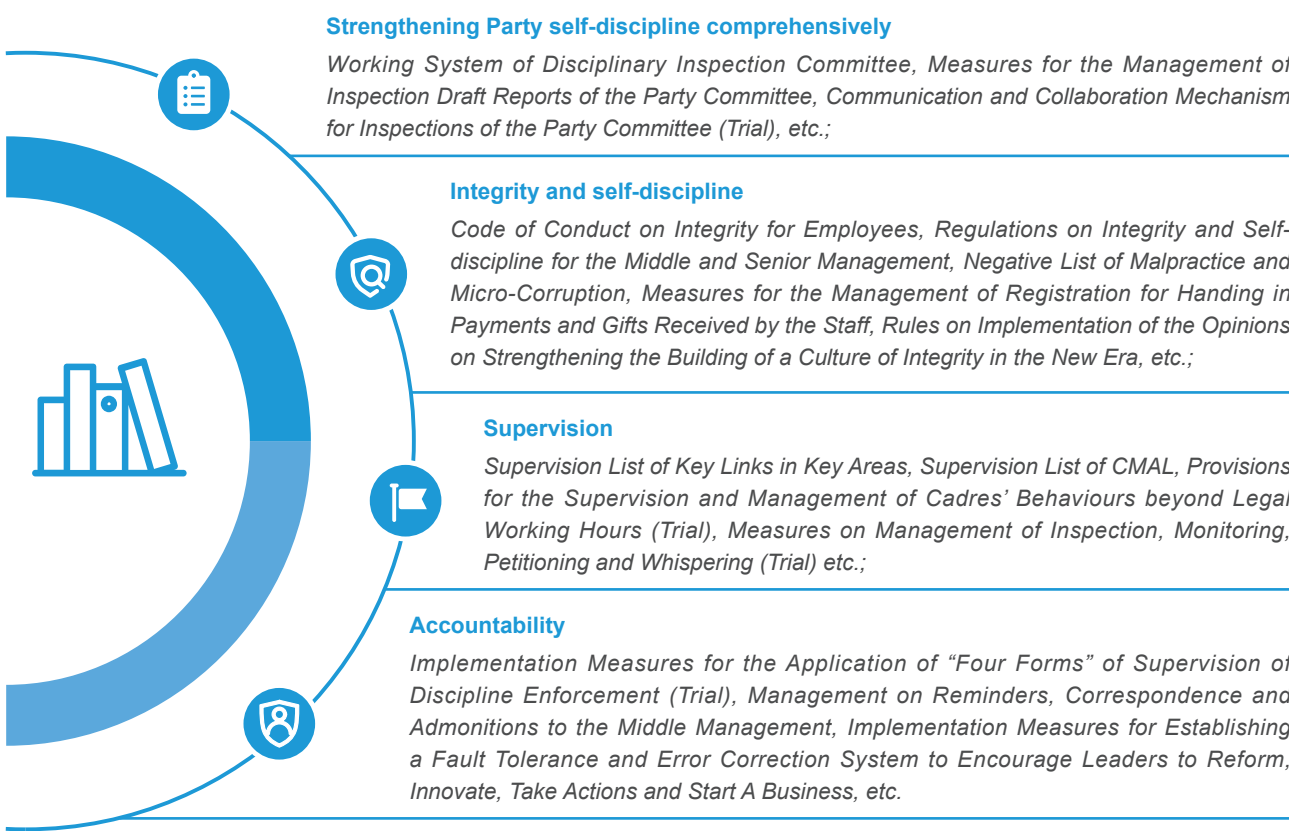
Issues	Ranking
Product Liability	1
Health and safety	2
Climate change	3
Emission	4
Resource use	5
Supply chain management	6
Employment	7
Development and training	8
Labour standards	9
Anti-corruption	10
Environment and natural resources	11
Community investment	12

## 1.3 Anti-corruption

The Company strictly abides by the *Criminal Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, *Law of the People's Republic of China on Anti-Money Laundering* and other laws and regulations, adheres to the principle of operating in good faith and competes fairly, keeps to business ethics, and resolutely prohibits such acts as bribery, extortion, fraud and money laundering. During the reporting period, the Company did not engage in any legal proceedings for corruption or bribery.

## Improve construction of integrity system

During the reporting period, the Company continuously reinforced the construction of integrity system, comprehensively strengthened Party self-discipline, built a solid ideological bottom line for employees to observe law and discipline, implemented the construction of integrity in all links of key areas and key positions, intensified the restriction and supervision of power operation, and promoted a mechanism that "dare not corrupt, cannot corrupt, do not want to corrupt" to strictly prevent commercial bribery and commercial corruption.



During the reporting period, the Company formulated the *Working Rules of the Party Committee of the Company on Strengthening the Supervision of the Department Heads and the Leadership* and *Implementation Measures for the Rectification and Utilisation of the Results of Inspections*, and updated and perfected systems such as the *List of Responsibilities of the Party Committee of the Company for Inspection*, *Implementation Rules for the Establishment of a Large Supervisory System*, *Negative List of Malpractice and Micro-Corruption* and *Negative List of Implementing the Central Party Leadership's Eight-Point Decision on Improving Party and Government Conduct* and other systems to further standardise the internal integrity monitoring system of the Company and to regulate the commencement of the integrity work.

## Carry out special rectification

Carry out the special rectification by conducting business line self-inspection in the four key links of transport capacity allocation, business outsourcing, foreign and domestic storage management, and waste material disposal, as well as in three key areas of procurement, internal control and intelligent logistics construction in combination with the characteristics of the logistics industry, identifying management and system problems and rectifying them.



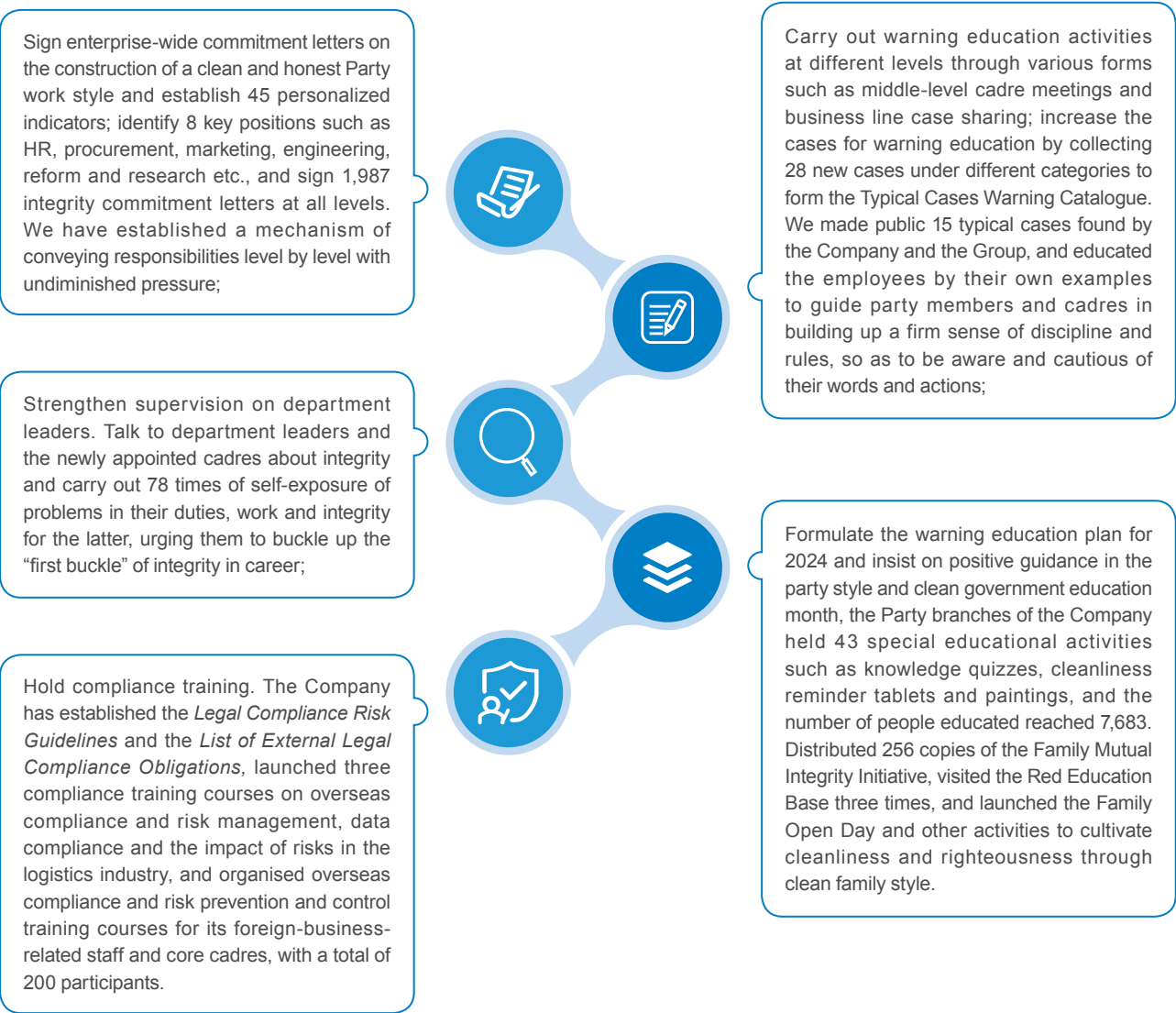
## Establish whistleblowing channels

The Company establishes multiple channels such as reporting mailbox, telephone and mailbox to receive anti-corruption complaints and reports, timely deal with various problems reflected and feedback the results. The Company strictly keeps confidential the informant’s name, work unit, home address and other relevant information as well as the contents of the reporting and the reporting materials are classified as confidential documents for management.

## Conduct integrity education

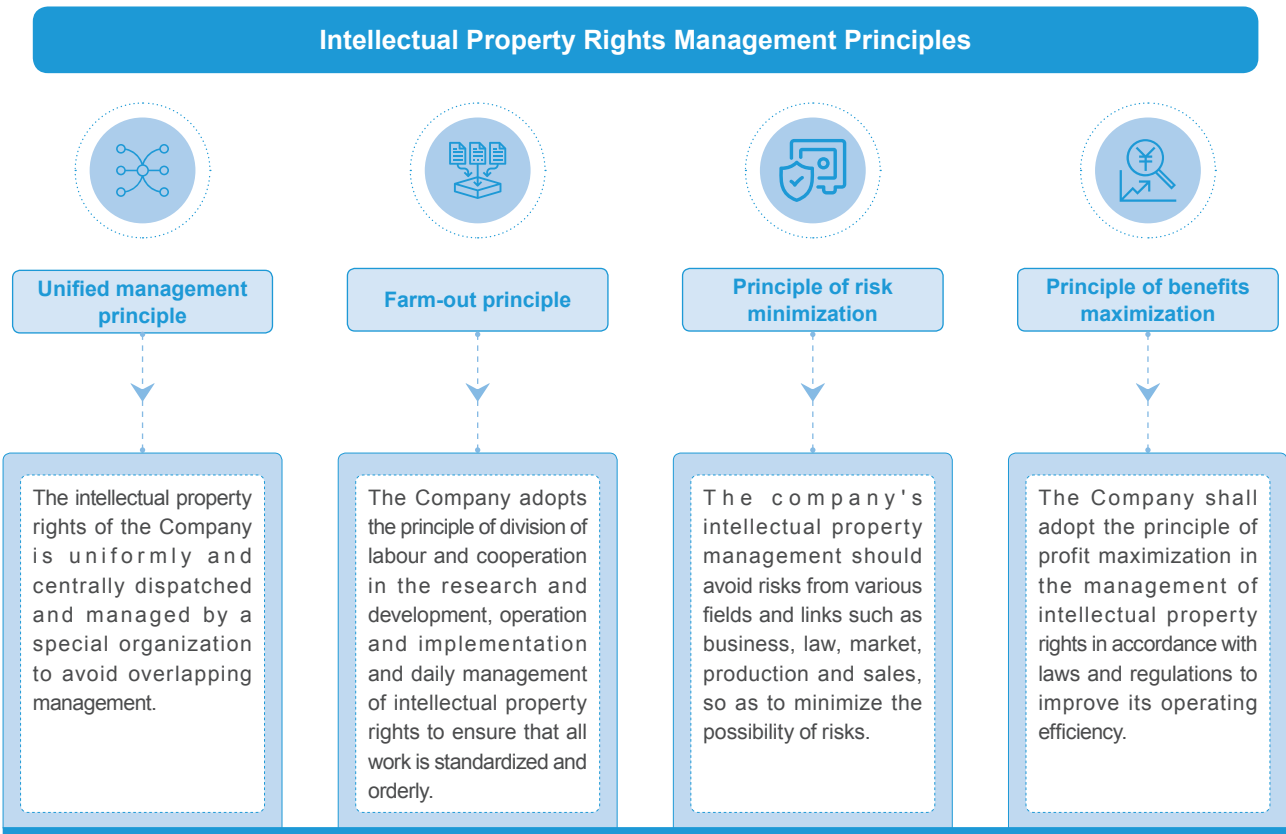
The Company develops various forms of honesty education activities, covering both the Company’s management and grass-roots employees, focusing on education in “plane”, training in “line” and warning in “point”. The effectiveness of combating corruption and upholding integrity has been recognized by employees.

Related measures:



## 1.4 Intellectual property protection

The Company strictly complies with the *Patent Law of the People’s Republic of China*, *Trademark Law of the People’s Republic of China* and other relevant laws and regulations of China and Chongqing and has formulated the *Administrative Measures for Intellectual Property Rights (Trial)* and *Administrative Procedures for Intellectual Property Rights*. The Company checks the links where may have intellectual property infringement risk. If there is intellectual property infringement risk, the Company avoids infringing other’s intellectual property rights by avoidance design, invalid patent, obtaining patent license and other strategies. For acts involving infringement of the Company’s intellectual property rights and interests, the Company will protect its rights in accordance with national laws and regulations and relevant procedures and the Company’s systems.







## 2 Environment

### Establish environmentally friendly and green channels

Global climate change is a common challenge facing mankind. Always with the vision of “building a world-class green intelligent supply chain logistics”, the Company attaches great importance to environmental protection, energy conservation, and carbon reduction during operation, actively supports the development of the country's peak carbon dioxide emissions and carbon neutrality undertakings, integrates green concepts into multiple links such as warehousing, transportation, packaging, and recycling, builds a carbon reduction ecology, and creates green logistics channels.

The Company has no significant impact on the environment or natural resources. The Company adheres to the principles of environmental protection and conservation of natural resources in its operations, complies with environmental, social and governance policies and procedures, and applies relevant policies in energy conservation and environmental protection to avoid significant impact on the environment or excessive consumption of natural resources.

2.1 Strengthen environmental management	17
2.2 Practice energy conservation and emission reduction	20
2.3 Combat climate change	28
2.4 Spread green culture	30



## 2.1 Strengthen environmental management

The Company has deeply promoted the construction of the QHSE management system, continuously improved environmental protection related policies and system documents, established a safety and environmental protection committee, which is responsible for studying, coordinating, guiding, and resolving environmental protection related issues of the Company, ensuring the operation, review, and continuous improvement of the environmental protection management system, promoting environmental protection responsibility from management to practice, and conducting energy conservation and environmental protection training to making all employees responsible for and practitioners of environmental protection and jointly protect the ecological environment.

### Management structure and mechanism of safety and environmental protection committee

The director of the environmental protection committee is Chairman of the Board, the deputy director is the General Manager, and the members are composed of senior executives, and principals of functional centres, regional companies, business departments and subsidiaries. The office of the environmental protection committee is located in the environmental protection coordination department, with the principal of the environmental protection coordination department serving as the office director. The office to the environmental protection committee is mainly responsible for the daily affairs of the committee, including regularly organizing meetings (held together with the safety committee), and inspecting and assessing the implementation of environmental protection work of each department. The environmental protection committee shall hold a meeting at least once a quarter to convey and implement environmental production laws, regulations, and other requirements issued by the state or higher authorities, summarize and analyse the Company's environmental management status, discuss and determine the Company's major environmental issues, and propose work objectives and plans.

#### System guarantee

- Strictly abide by national laws and regulations such as *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, *Regulations on the Management of Environmental Protection upon Completion of Construction Projects* and *Administrative Measures for Environmental Protection upon Acceptance of Construction Projects*.
- Develop *Hazardous Chemicals Management Process*, and constantly improve internal management systems such as *Administrative Measures for Prevention and Control of Environmental Pollutants*, *Administrative Measures for Environmental Protection*, *Environmental Factor Identification and Evaluation Process*, *Environmental Risk and Opportunity Identification and Assessment Process*, *Noise Emission Control Management Process*, *Process for Control and Management of Waste Water Discharge and Waste Gas Emission*, and *Environmental Risk and Identification and Assessment Process*.

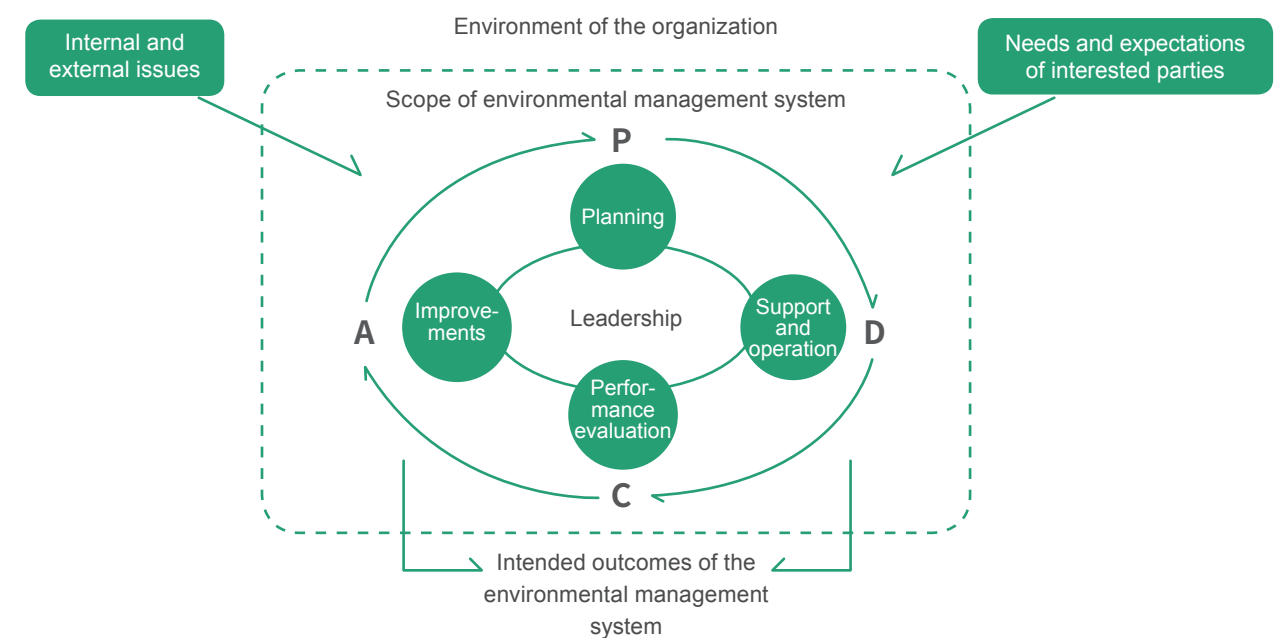
#### Management guarantee

- Set up a safety and environmental protection committee to form an internal environmental protection organization with the Safety and Environmental Protection Centre of the headquarters as the leader and supervisor and each department as the performer. Each department performs their duties in the environmental protection process. The leader is responsible for formulating regulations and procedures regarding environmental protection and planning the Company's environmental management work. Each performer is responsible for identifying the environmental elements involved within their management scope, formulating controlling measures, ensuring compliant emissions, minimizing environmental risks, to ensure the effective implementation and operation of QHSE management system within the Company.

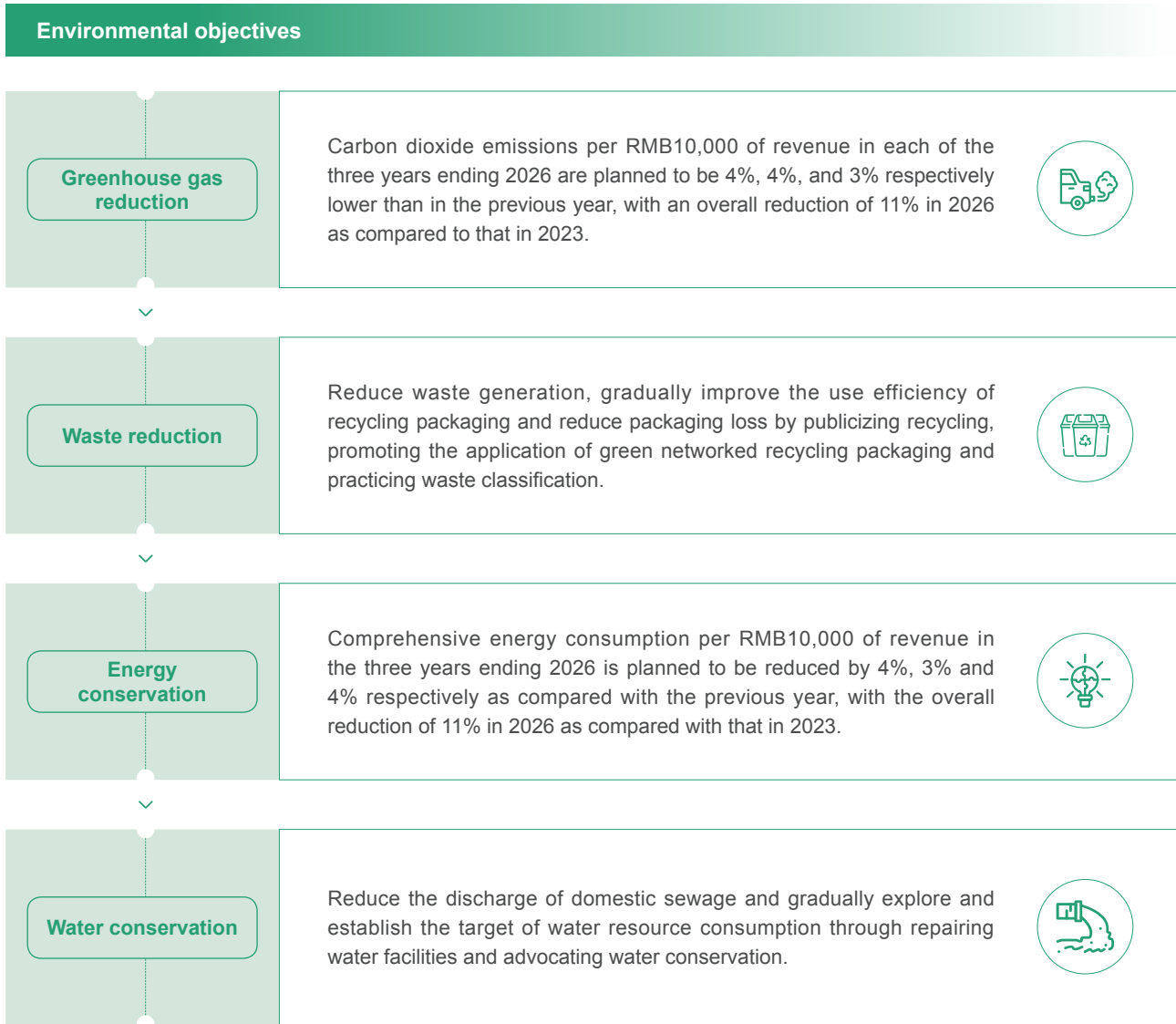
#### Implementation guarantee

- Perfect the preparation of environmental management manual and management measures, guide each department to prepare three-level operation documents such as relevant operation procedures, management regulations and control requirements, and supervise their implementation.
- Perfect *Internal Audit Control Process and Management Review Management Process* which require each department to regularly organize internal audit and management review for their systems as planned and accept the external audit. If problems are found in various audits, the responsible department will be responsible for implementing the rectification and closure and each business department/subsidiary will assist with verification work; in addition, the Safety and Environmental Protection Centre of the Company's headquarters will supervise and inspect the implementation of the rectification.
- The Company passed the verification of the ISO14001 and ISO45001 by China Quality Certification Company, which fully proved the appropriateness, adequacy and effectiveness of the Company's environmental system.
- The Classification Society conducted an annual supervisory audit of the Company's Grade 2 production safety standardisation, and the Company's system operated normally and met the requirements.
- Based on the characteristics of the logistics industry, we have established the CMAL-HSE management system for the Company by deeply integrating the requirements of the Occupational Health and Safety Management System (GB/T45001), the Environmental Management System (GB/T 24001), the Basic Specification for the Standardisation of Production Safety in Enterprises (GB/T33000), the Basic Specification for the Standardisation of Production Safety in Traffic and Transportation Enterprises (JT/T1180), and the Changan China HSE Management System. CMAL-HSE management system was established to promote the standardised safety management of the Company.

### Operation Mode of Environmental Management System



Environmental management targets	Target value	Completion value
"0" general and above environmental emergency	0	0
100% completion rate of rectification of potential environmental hazards on schedule	100%	100%
100% service guarantee rate of environmental protection facilities after transformation	100%	100%
100% compliance rate of solid waste collection, temporary storage and disposal management regulations	100%	100%
Administrative penalty for ecological environment protection "0"	0	0



## 2.2 Practice energy conservation and emission reduction

The Company actively carried out energy conservation and emission reduction and ecological environment protection, formulated *Administrative Measures for Prevention and Control of Environmental Pollutants*, used scientific management system, took pollution prevention as the core, adopted advanced science and technology, and striven to reduce pollutant emissions, optimize resource use efficiency and achieve green and long-term development.

### Emissions management

The Company involves the emissions of solid wastes, wastewater and waste gas during its operation. We establish the concept of “zero emission and zero pollution”, continue to carry out comprehensive, whole process, full participation and closed-loop environmental management activities, strictly manage pollutant emission in the process of operation, and take effective disposal measures for different types of pollutants to ensure that all pollutant emissions meet the requirements of national and local laws and regulations. During the reporting period, the Company carried out annual environmental factor monitoring, including 90 samples under 4 categories from 12 regions, none of which exceeded the standard, and all emissions met the standard.

### Solid wastes management

The Company has formulated special procedures such as *Resource Management Measures*, *Fixed Assets Disposal Process* and *Non-fixed Assets Disposal Process* to strictly standardize the recycling and utilization of solid wastes. In the daily production and operation of the Company, the possible solid wastes include the used fluorescent tubes and used printer cartridges, and used batteries from battery forklifts and other equipment, and used engine oil from vehicle maintenance. We attach great importance to the disposal of these wastes, and require all responsible departments to adhere to the principle of “anyone who causes pollution shall be responsible for the pollution treatment”, take the environmental protection as an important part of production management, dispose of wastes in strict accordance with relevant environmental protection rules and regulations, and delegate to qualified third-party organization for professional treatment to ensure that the environmental pollution caused in the production process of the Company is minimized.

During the reporting period, the Company strictly standardized the classified collection and treatment of domestic waste in various departments. Specific measures include:

- Continue to invest in purchasing or leasing electric forklifts to replace diesel forklifts to reduce waste gas emissions;
- A number of units have promoted energy and environmental best practices by using automatic power-off charging devices, smart liquid refillers and leak-proof trays to prevent electrolyte leakage from batteries and some units are piloting the use of lithium battery forklifts and trailers, essentially eliminating the problem of battery electrolyte leakage;
- The Company standardized the management of key areas such as charging area and maintenance area in 2024, established pollution prevention and control measures, standardized waste water discharge, transferred and disposed of 55 tons of hazardous waste in accordance with laws and regulations, to prevent environmental pollution incidents;
- Standardize the separate collection and treatment of domestic waste under four categories including hazardous waste, perishable waste, recyclable waste, and other waste in each unit.



During the reporting period, the main waste generated by the Company was as follows:

Volume of hazardous waste produced <sup>1</sup>	Unit	2024
Used engine oil	t	1.76
Used engine oil density	ton/RMB100 million revenue	0.02
Used printer cartridge	t	1.11
Used battery	t	0.15
Used forklift batteries	t	169.06
Used fluorescent tube	t	0.06
Total amount of hazardous wastes	t	172.14
Density of hazardous waste	ton/RMB100 million revenue	1.92

<sup>1</sup> Total hazardous waste comprises of used engine oil, printer cartridges, batteries, fluorescent tubes and forklift batteries.

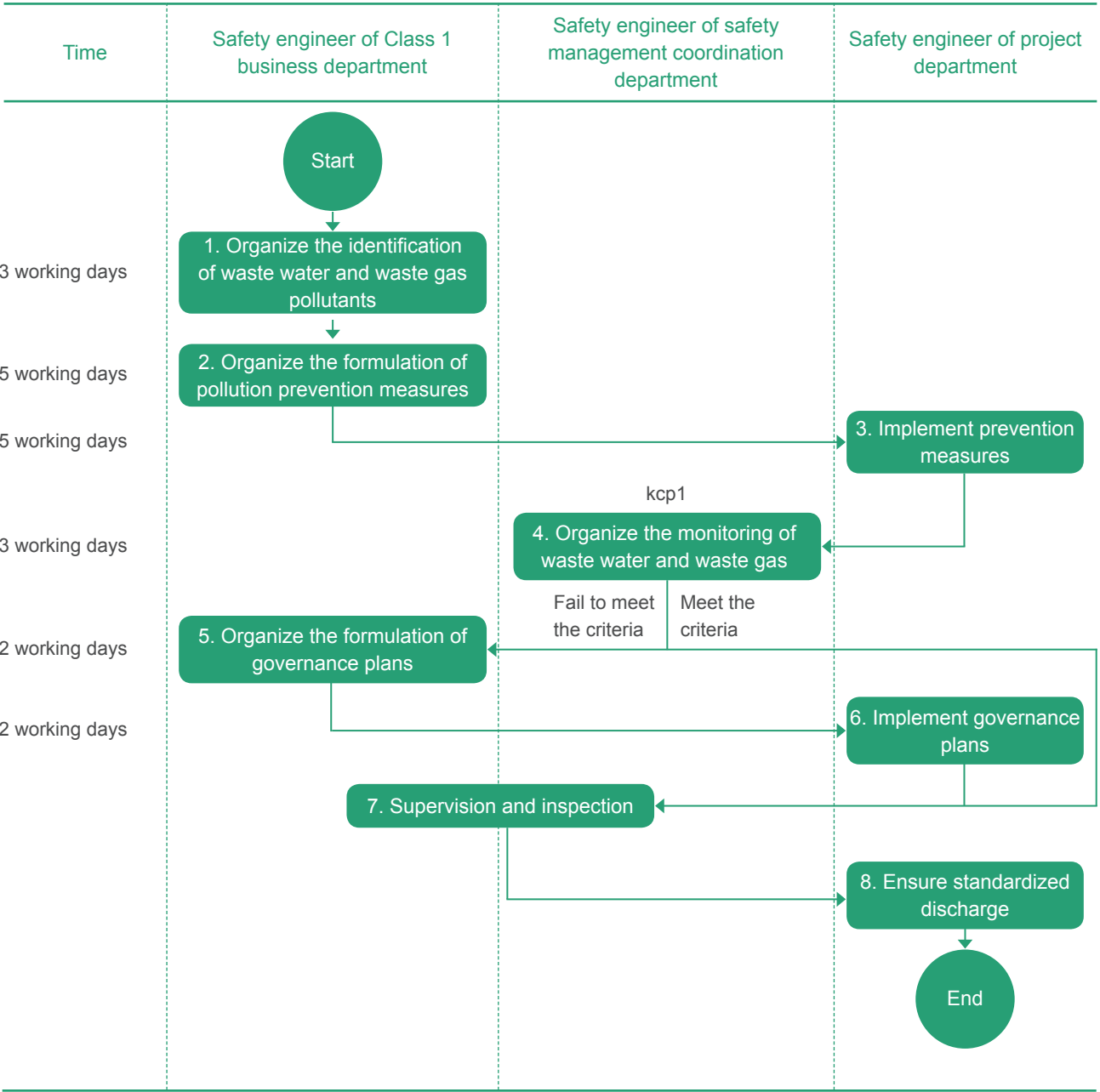
Volume of non-hazardous waste produced <sup>2</sup>	Unit	2024
Used tires	t	2.48
Used paper	t	54.07
Used wooden pallet	t	32.00
Used plastics	t	23.59
Used cardboard	t	375.00
Total amount of non-hazardous wastes	t	487.07
Density of non-hazardous wastes	ton/RMB100 million revenue	5.43

<sup>2</sup> Total non-hazardous waste comprises of used tyres, used paper, used wooden pallets, used plastics and used cardboard.

Flow Chart of Waste Water and Waste Gas Emission Control Management

Process name: waste water and waste gas emission control management process

Process owner: safety management coordination department



## Waste water management

The Company has established a strict environmental management system, including *Process for Control and Management of Waste Water Discharge and Waste Gas Emission*, to control the generation and treatment of waste water. The Company generates limited volume of waste water, mainly including lightly pollutive domestic sewage and vehicle wash water, which are discharged to the municipal sewage network for unified treatment after being checked and ratified by the environmental authority.

During the reporting period, the Company took the following measures for waste water management:



- Conduct environmental monitoring at least once a year and keep monitoring reports. In case of non-compliance with the corresponding national limits, the first-tier business units shall organize the formulation and implementation of water pollution control and rectification measures to ensure that the pollutants are discharged up to standards;
- The waste water generating department is responsible for preparing waste water discharge management provisions or operating procedures, formulating detailed pollution prevention and control implementation plans and organizing their implementation. It is strictly prohibited to discharge waste water in an irregular manner;
- Departments where water pollution accidents are likely to occur shall establish environmental emergency plans to reduce the impact and pollution as much as possible;
- The oily waste water from the canteen is treated in an oil separator, and the treated waste water is discharged into the designated sewage pipe network. It is strictly prohibited to discharge it into the rainwater pipe network. The use of phosphorus-based detergents in the canteen is strictly prohibited.

Waste water discharge and density	Unit	2024
Total waste water discharge	m <sup>3</sup>	286,825.74
Density of waste water	m3/RMB100 million revenue	3,200.11

## Waste gas management

The Company pays attention to waste gas management, pays close attention to the source of oil to ensure that motor vehicles use gasoline that meets the national emission standards, and promotes vehicle urea to help heavy trucks, buses and other diesel vehicles reduce pollutant emissions. During the reporting period, the Company invested RMB892,000 to continuously purchase or lease electric forklifts to replace diesel forklifts to reduce waste gas emissions.

## Greenhouse gas management

The greenhouse gas emissions of the Company mainly come from the energy consumption such as gasoline and diesel used in the transportation process and the purchased power consumption used in the administrative office area. We continue to strengthen the control of greenhouse gas emissions and contribute to China's goal of peak carbon dioxide emissions and carbon neutrality.

We adjust the energy consumption structure, adopt renewable energy solutions, invest and build photovoltaic projects in appropriate bases and parks, gradually increase the use of new energy vehicles and change the type of energy consumption, so as to greatly reduce the carbon emission of business operations; apply carbon reduction technology, establish a carbon footprint digital management platform, use artificial intelligence, big data, Internet of Things and other leading technologies to realise low-carbon intelligent operations, which facilitate the realisation of the digital management of the whole process, and multi-dimensional and in-depth intelligent carbon management analysis; upgrade the business model, improve operational efficiency and reduce carbon emissions by gradually promoting convective transportation, milk run, modal shift from road to rail/from road to waterway and multimodal transport, using green and low-carbon packaging, intelligent enterprise management, and providing customers with green and intelligent supply chain integration solutions.

During the reporting period, the Company's greenhouse gas emissions were as follows:

Greenhouse gas emissions and intensity <sup>3</sup>	Unit	2024
Greenhouse gas emission (scope 1)	CO2 equivalent - ton	1,714.88
Greenhouse gas emission (scope 2)	CO2 equivalent - ton	5,215.25
Total emissions of greenhouse gas	CO2 equivalent - ton	6,930.13
Density of greenhouse gas emission	CO2 equivalent - ton/RMB100 million revenue	77.32

<sup>3</sup> Greenhouse gases mainly include carbon dioxide, methane and nitrous oxide. The calculation method of greenhouse gas emissions refers to the *Accounting and Reporting Standard of Greenhouse Gas Accounting System for Enterprises 2012* (Revised Edition) issued by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and the *Fifth Assessment Report* issued by Intergovernmental Panel on Climate Change (IPCC); the grid emission factors used in the calculation of scope II is derived from the average emission factors of the national grid in 2022 published in the *Notice on the Report and Administration of Greenhouse Gas Emissions of Power Generation Enterprises from 2024 to 2025* by the General Office of the Ministry of Ecology and Environment. Total greenhouse gas emissions include emissions in scope I and scope II.

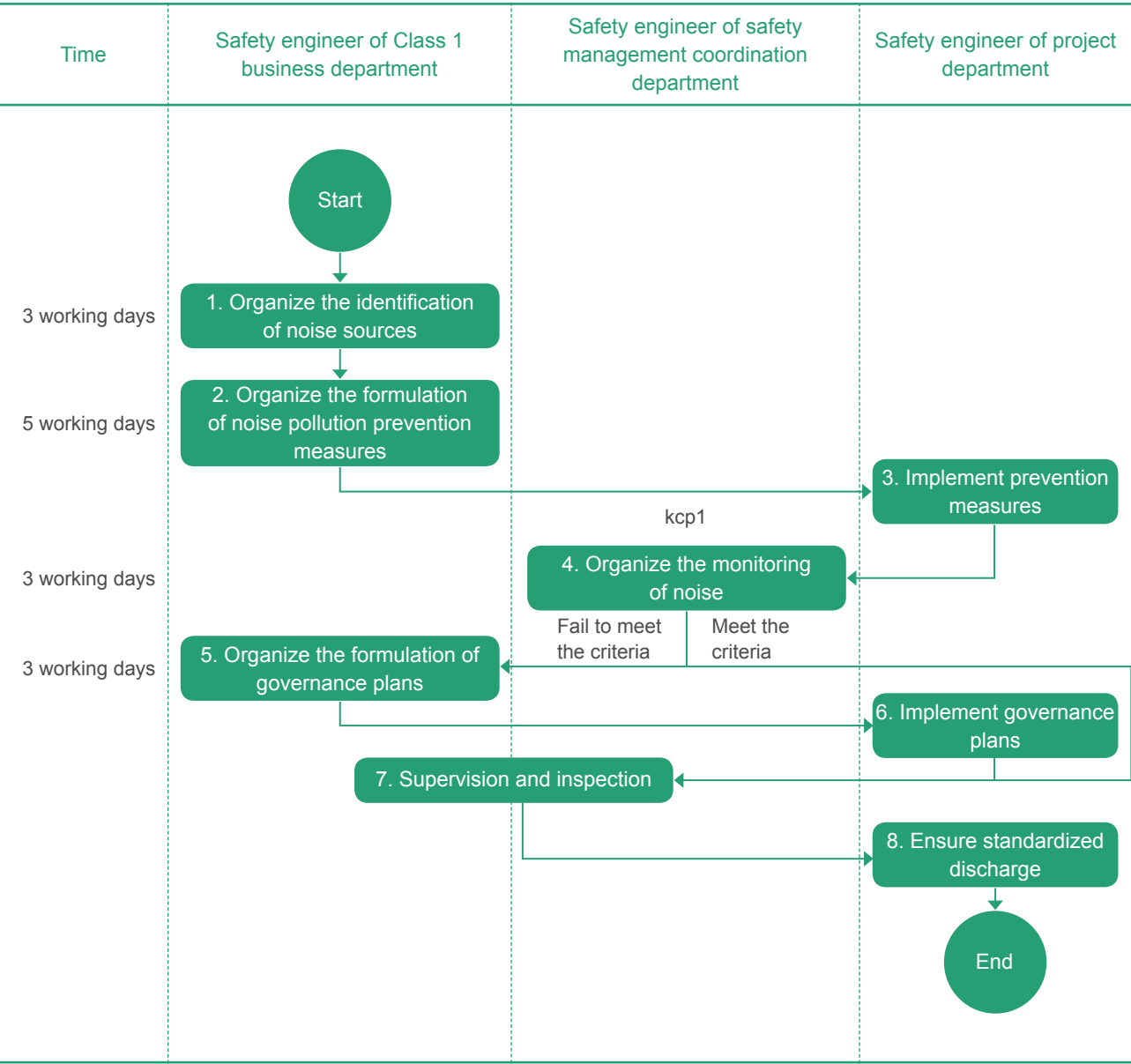


Noise management

Noise pollution is involved in the production of the Company. We have formulated the *Noise Emission Control Management Procedures* and regularly monitor environmental factors every year. Through effective management and control of noise generated in production and business activities, we ensure noise emission meets the requirements of national laws and regulations, so as to protect the physical and mental health of employees and the masses and reduce environmental impacts. During the reporting period, the Company carried out annual environmental factor monitoring, including 90 samples under 4 categories from 12 regions, none of which exceeded the standard, and all emissions met the standard.

Noise Emission Management Flow Chart

Process name: noise emission control management process  
Process owner: safety management coordination department



Resource use

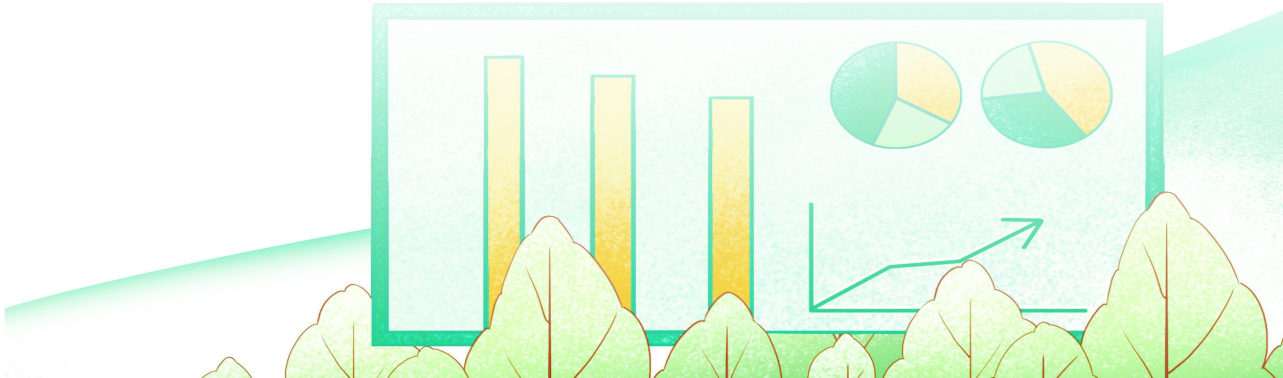
The main energy consumption of the Company includes electricity, gasoline, diesel, natural gas and other energy sources. In order to implement the national policy of attaching equal importance to energy development and conservation, comprehensively strengthen the Company's energy use management, reduce energy consumption, improve energy utilization efficiency, and enhance the Company's economic efficiency, we strictly abide by laws and regulations such as *Law of the People's Republic of China on Conserving Energy*, *Cleaner Production Promotion Law of the People's Republic of China*, *Circular Economy Promotion Law of the People's Republic of China*, and *Interim Regulations on Energy Conservation Management* of the State Council, issue internal systems such as *Resource Management Measures* and *Administrative Measures for Environmental Protection*, and newly formulate *Energy Management Measures* based on the actual situation of the Company to continuously strengthen the effective management of energy and resources.

Power management

We continue to optimize the energy structure, eliminate old equipment and improve energy efficiency. At the same time, we actively promote green office and save unnecessary resource consumption. For example, the inspection and notification mechanism for turning off lights at night requires all employees to turn off the lighting system in their area after work to save electricity. If the inspectors find that the lights are not turned off, public criticism will be given inside the Company to remind them and improve the awareness of saving electricity and environmental protection of all employees.

During the reporting period, the Company's energy usage was as follows:

Total direct and indirect energy consumption and density by type	Unit	2024
Unleaded petrol	Liter	98,816.69
Diesel	Liter	456,625.79
Natural gas	m3	115,897.00
Outsourced electricity	MWh	9,144.74
Direct energy consumption	MWh	6,774.37
Indirect energy consumption	MWh	9,144.74
Total energy consumption	MWh	15,919.12
Density of total energy consumption	kWh/RMB100 million revenue	177.60





### Water resource management

The Company attaches importance to the rational and scientific use of water resources to enhance the efficiency of water consumption, monitors the water consumption of each unit at monthly internals, strengthens the conservation of water resources, and strictly eliminates waste of water resource arising from leakage, and the relevant work is examined in the annual performance appraisal. For example, we carry out key inspections and supervise the rectification of water supply and firefighting pipe networks that have been in use for a long time, to effectively avoid the waste of water resources.The water used by the Company comes from the municipal tap water or reclaimed water purchased. There are no problems with access to water and no significant environmental impacts.

During the reporting period, the Company's water usage was as follows:

Total water consumption and density		Unit	2024
Total water consumption		m <sup>3</sup>	301,049.71
Water consumption density	m3/RMB100 million revenue		3,358.81
Water saving amount		m <sup>3</sup>	500.00

### Material resource management

The Company has devoted to the development of green products and strengthened the management of the whole process, optimized the input of raw materials, vigorously carried out the technological innovation, reduced pollutant emissions from various aspects such as technological innovation, product design, product production and packaging, building an environment-friendly enterprise image. The Company reduced the use of disposable materials and introduced new recyclable packaging materials during the operation, so as to reduce the cost of disposable packaging, extend the product life cycle, improve the resource utilization efficiency and reduce the generation of disposable wastes.

During the reporting period, the Company's packaging material usage was as follows:

Total amount and density of packaging material		Unit	2024
Paper		t	294.00
Wooden products		t	1951.20
Plastics		t	192.43
Total amount of packaging material		t	2437.63
Density of packaging material		ton/RMB100 million revenue	27.20

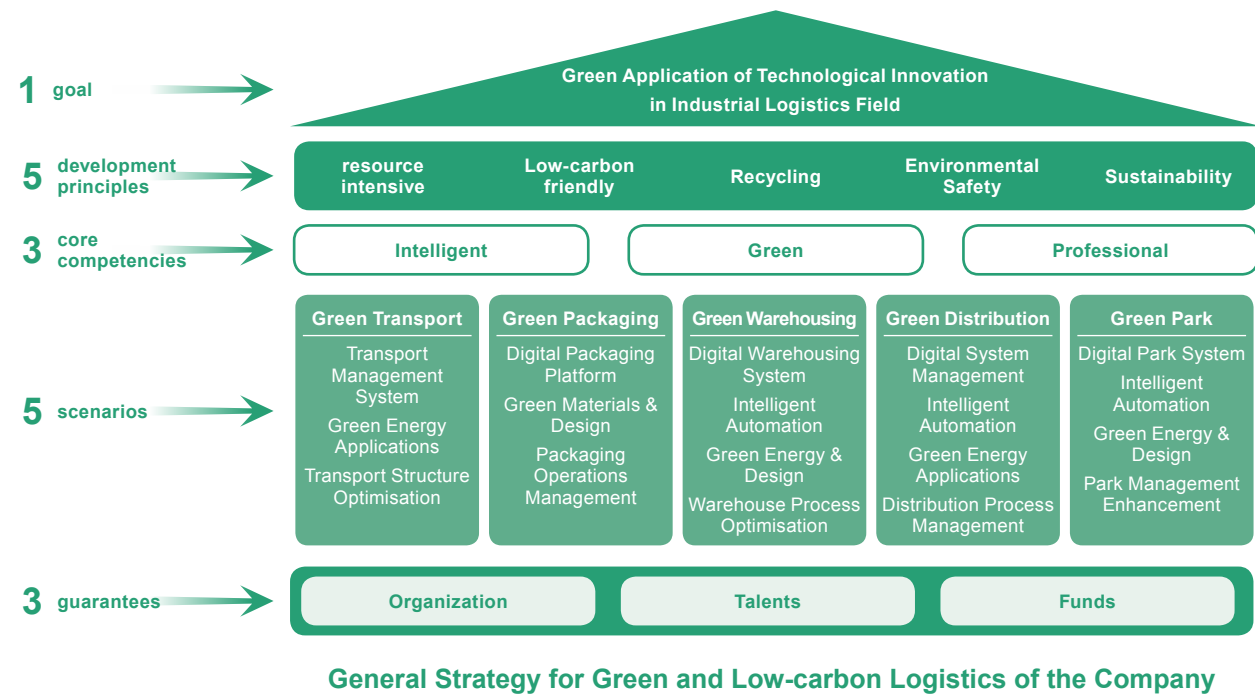
## 2.3 Combat climate change

Climate change is one of the greatest risks facing the world. The Company actively carries out the identification of climate change risks and opportunities, continuously optimizes and improves the Company's overall low-carbon logistics strategy and layout and takes effective measures to reduce carbon emissions and mitigate the impact of climate change.

Climate change risks and opportunities		Time dimension	Our action
Transformation risk	<b>Policy risk</b> The implementation of the “peak carbon dioxide emissions and carbon neutrality” plan and the introduction of policies related to energy conservation and emission reduction may have an impact on the service and operation mode of express companies, leading to an increase in expenses of environmental protection, energy conservation and emission reduction	Medium- and long-term	<ul style="list-style-type: none"><li>Set scientific greenhouse gas emission reduction targets</li><li>Launch strategic plans for low-carbon logistics</li><li>Carry out energy conservation and consumption reduction and promote the use of renewable energy sources</li><li>Apply carbon reduction technologies and use green low-carbon packaging</li></ul>
	<b>Technical risk</b> Green packaging technology R&D, green transportation, green office, etc.	Medium- and long-term	<ul style="list-style-type: none"><li>Increase investment in low-carbon technology R&amp;D and improve R&amp;D efficiency</li></ul>
	<b>Market risk</b> Consumers pay more attention to the impact of products and services on climate	Medium- and long-term	<ul style="list-style-type: none"><li>Strengthen the promotion of green transformation of products and services, and create a low-carbon brand image</li></ul>
	<b>Reputation risks</b> Investors' attention, upstream and downstream demand of the supply chain, community's attention	Long-term	<ul style="list-style-type: none"><li>Strengthen communication with stakeholders, disclose low-carbon and environmental actions and data; join suppliers in low-carbon actions</li></ul>
Physical risk	<b>Acute risk</b> Extreme weather events and major natural disasters may pose a threat to transportation safety	Short- and medium-term	<ul style="list-style-type: none"><li>Establish <i>Special Emergency Plan for Sudden Natural Disasters</i> for extreme weather and natural disasters such as earthquake, debris flow, landslide, rainstorm, hurricane and blizzard, take emergency measures to effectively prevent and reduce the occurrence of emergencies, and control, reduce and eliminate serious social hazards caused by emergencies.</li></ul>
	<b>Chronic risk</b> Rising temperature and sea level may have an impact on human living environment and business scope	Long-term	<ul style="list-style-type: none"><li>Participate in climate change actions and protect the ecological environment</li></ul>

Strategic planning for green and low-carbon logistics

In the new development stage, the Company is implementing the new development concept, constructing the new development pattern, and taking advantage of the development of “peak carbon dioxide emissions and carbon neutrality to popularise its innovative technologies and promote their green application to form its own development principle of “resource intensive, low-carbon friendly, recycling, environmental security and sustainability”. We will build a digital and green technology system and develop professional service capabilities to achieve efficient management and provide high-quality and sustainable products and services.



Case

### Application of the Digital Carbon Footprint Management Platform

Carbon Footprint Management Platform 1.0 has been assessed and accepted, with the function of reporting carbon emission reduction being developed and launched and applied to the carbon emission reduction project for customers.

- Realised four major functions: carbon accounting, product carbon footprint, carbon accounting for emission reduction projects, and carbon emission reduction management.
- Formed a carbon emission assessment system and model and initially realised the capability of green and low-carbon verification and solution.
- Based on carbon inventory and carbon emission reduction management, we will actively expand and upgrade the functions of the platform and launch the second phase of carbon footprint to achieve diversified values as planned.

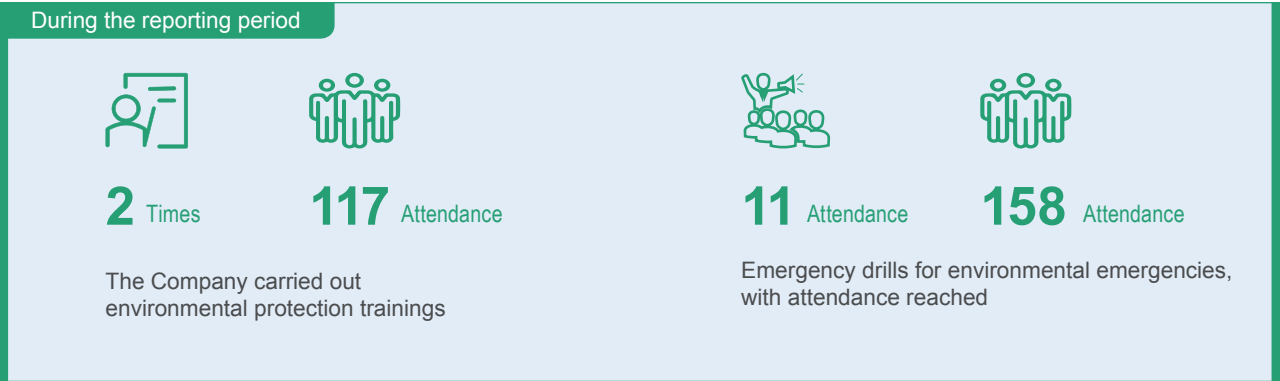
Project benefits:

- Realise cost reduction and efficiency gains in digital carbon emission management, help explore the potential of emission reduction and promote innovation in energy-saving and emission reduction technologies.
- Improve the Company's carbon management system and reduce potential policy risks.
- Cultivate low carbon awareness and create a green corporate culture.
- Provide customers with value-added services, including green logistics solutions with quantifiable data and carbon footprint management services, to assist customers in realizing ESG compliance management.

2.4 Spread green culture

In order to deeply practice President Xi Jinping’s ecological civilization thought and fully, accurately and comprehensively implement the new development concept, the Company has carried out extensive publicity and education on energy conservation and carbon reduction, vigorously advocated green and low-carbon production and life style, and conducted a series of environmental protection activities to spread green culture and advocate green and low-carbon work and life concept.

In the office building and canteen area of the Company, we broadcast relevant knowledge of carbon neutrality on public publicity screens. Energy conservation and environmental protection propaganda slogans and posters are posted in all office areas and work sites of the Company; all departments carry out publicity, implementation and learning on energy conservation, emission reduction and consumption reduction. Learning is performed through Enterprise WeChat and other ways; project morning meetings and opening and closing meetings of teams are held to promote the concept and knowledge of energy conservation and consumption reduction, ensuring that all employees can actively participate in the activities.



Case

### Energy Conservation Publicity Week of the Company

The Company launched an energy-saving publicity week with the theme of Green Transformation and Energy Saving. All units carried out a series of activities in various forms and with rich contents to publicize energy-saving concepts and popularize low-carbon knowledge, create a strong energy-saving atmosphere, and promote the Company’s work on peak carbon dioxide emissions and carbon neutrality. These activities have effectively increased staff’s awareness of energy conservation and carbon reduction as well as their ability to save energy.

2024年全国节能宣传周  
5月13日—19日

绿色转型 节能攻坚

国家发展改革委 宣

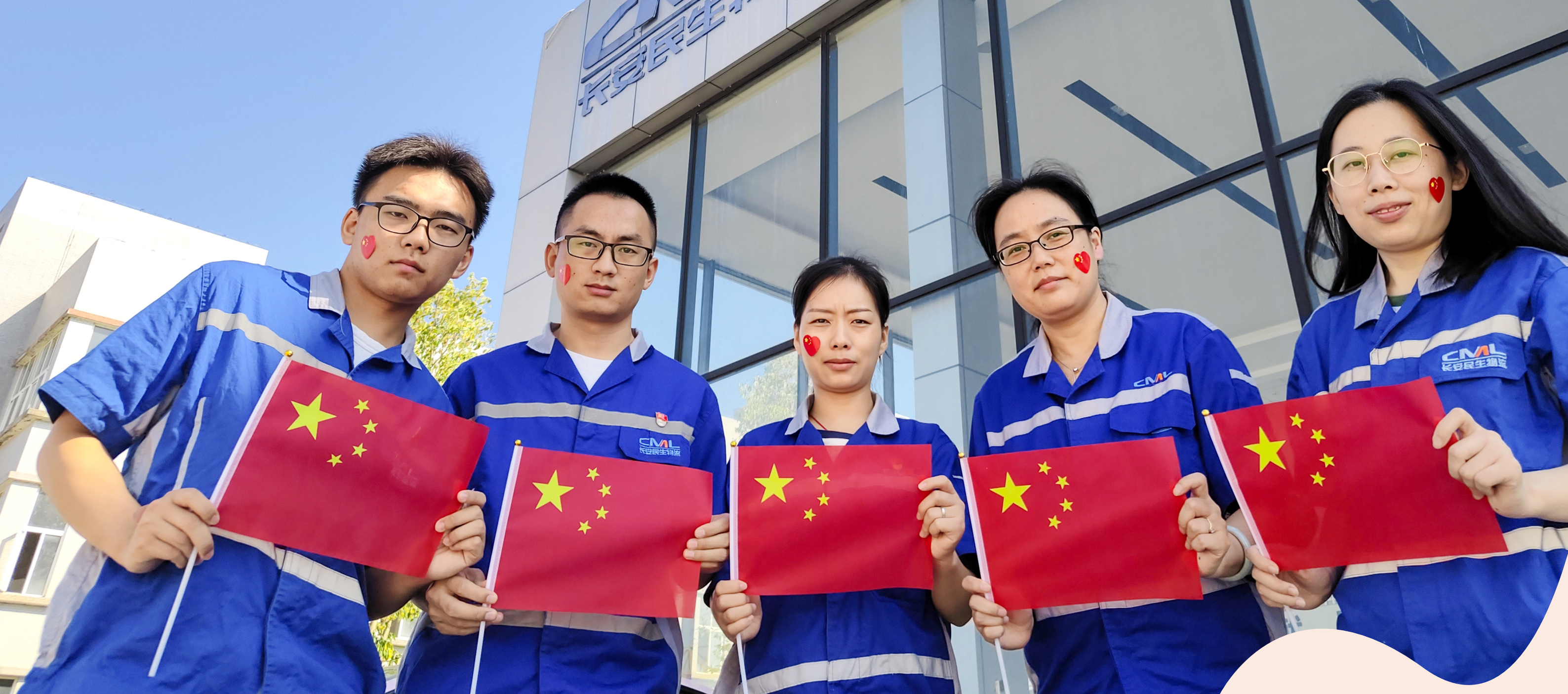
2024年全国节能宣传周  
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绿色转型 节能攻坚

国家发展改革委 宣

Creation of an Atmosphere for Energy Conservation Publicity Week by Posting Posters





### Cultivate various talents

With regarding employees as the source of power and important competitiveness for the development of the enterprise and “contributor oriented” as its mission, and adhering to the basic concept of “people oriented”, the Company strictly complies with national and regional laws and regulations such as *Labour Law of the People’s Republic of China*, *Labour Contract Law of the People’s Republic of China*, and *Social Insurance Law of the People’s Republic of China*, formulates and implements systems such as *Regulations on the Administration of Labour and Employment* and *Implementation Rules of Labour Contract*

*Management*, establishes standardized employment processes and salary systems, protects the legitimate rights and interests of employees, fully reflects inclusiveness and respect, creates a fair development platform, helps employees grow and become talents, pays attention to employee safety and health, and creates a positive work atmosphere, so as to facilitate the development of the Company and its employees.

# 3 Employees

3.1 Build a diversified team	33
3.2 Protection for employees rights and interests	35
3.3 Broaden development channels	36
3.4 Care for employees health	39



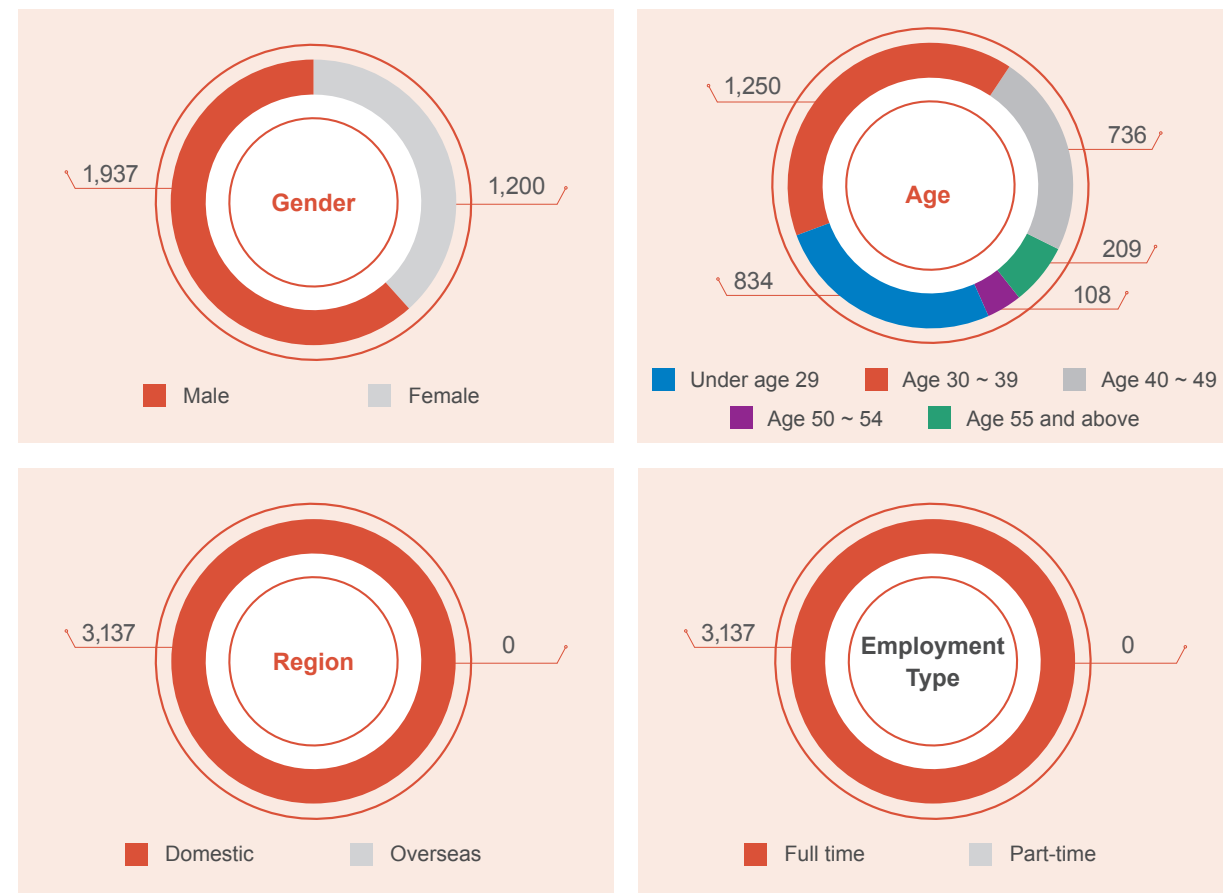
### 3.1 Build a diversified team

The Company abides by the legal requirements of the place of operation, establishes and improves the human resource management system, follows the principle of just, fair and open recruitment, introduces talents through multiple channels, and promotes its long-term development. The Company protects the legitimate rights and interests of its employees by paying their salaries in full and in a timely manner, paying social insurance premiums, implementing a paid leave system, and specifying working hours and holidays.

#### Equal and compliant employment

We adhere to the employment principle of “reasonable allocation, balanced demand, openness and justice and optimal cost”, strictly follow the *Labour Law*, *Labour Contract Law*, *Tentative Provisions on the Payment of Wages*, *Social Insurance Law*, *Regulations on Workers Compensation Insurance* and other laws and regulations, and establish management measures such as *Recruitment Management Measures*, *Contract Worker Recruitment Management Measures*, and *Labour Dispatch Management Measures and Labour Outsourcing Management Measures*, so as to improve the processization, institutionalization and specialization of employment management, standardize employment relations, resolutely eliminate employment discrimination due to age, gender, clan and other factors, and provide a fair, diversified and harmonious career platform.

#### Total number of employees (3,137 person)



### Diversified talent reserves

Following the recruitment principle of “person-position matching, efficient allocation, balanced demand, openness and fairness, and optimal cost” and combining the key talent needs to support the business and the cultivation needs to optimise the talent reserves, we adhere to the principle of “open recruitment, selective employment and employment from inside to outside”, introduce talents through multiple channels, and carry out diversified, multi-field, multi-level and multi-form talent reserves based on strategic development and business support.



Deepen university-  
enterprise cooperation

We continue to make good use of our post-doctoral research stations and have reached cooperation with a number of colleges and universities; we have set up a recruitment platform to lock up reserve talents and carry out practical exercises in certain positions to build up the complex capabilities.



Build talent  
development project

We recruit 50 mature talents experienced in intelligent technologies, packaging, operation and other key fields and 90 talent reserves from universities. 90 interns are introduced to supplement fresh blood for the development of the Company.

#### Annual employee turnover rate (4.5%)





## 3.2 Protection for employees' rights and interests

The Company takes safeguarding the rights and interests of employees as its basic responsibility, strictly operates in accordance with laws and regulations, continuously supervises and corrects non-compliance behaviours, continuously optimizes the salary and welfare system, distributes reasonably, reflects the management concept of equality, and benefits all employees more fairly with more development achievements.

### Avoid child labour and forced labour

We strictly abide by the *Law of the People's Republic of China on the Protection of Minors, Provisions on Prohibition of Child Labour* and other national laws and regulations, strictly control the age of candidates in the resume screening process, and clarify the working mode, working hours and other standards in the job responsibilities of recruitment. We also revise and issue labour employment management systems such as *Labour Outsourcing Management Measures*, *Labour Dispatch Management Measures*, *Temporary Employment Guidance Management Measures*, and *Measures for Labour Supplier Evaluation, Management, Incentive and Restraint*, clearly specify various employment standards and job conditions, reasonably allocate human resources, and establish harmonious labour employment relationships. The Company conducts quarterly inspection of labour employment. If found, child labour or compulsory labour will be stopped immediately and necessary support measures will be taken to deal with such violation, such as reporting to the local labour authorities and arranging health checks.

### Employees remuneration and welfare

The Company attaches great importance to the construction of employee salary and welfare system. Relying on the internal scientific and perfect human management mechanism, the Company has established the *Cadre Salary Management Measures*, *Enterprise Annuity Management Measures*, *Welfare Management Measures* and other systems and measures related to salary and welfare, and standardized and defined the standards and application rules of salary and welfare. In strict compliance with national requirements, the Company ensures employees' rights to obtain labour remuneration, labour protection and social security, rest and vacation, and provides employees with enterprise annuity to ensure their quality of life after retirement.

Employee salary management measures:



Continuously optimize relevant measures for the contractual management of the tenure system for cadres. According to the three-year reform action plan of the superior unit, the Company studies out the tenure system and contractual management scheme, formulates the performance evaluation methods and salary management methods, issues the supporting organization level, promotion, incentive and restraint mechanism, and holds training in the evaluation methods and application of evaluation results under the contractual mode.



Continuously improve the remuneration and incentive mechanism. The *Remuneration Reform Plan* was drafted and passed by the special meeting to improve the professional development channel and normal salary growth mechanism; the *Incentive Scheme for Quality and Efficiency Improvement* was released to improve the enthusiasm of the employees; the *Special Incentive Management Measures* was revised and released to focus on the key business priorities and further regulate the management of special prizes; and the *Project Incentive Scheme for Technical Staff* was formulated to strengthen the correlation between income and participation in projects of the technical staff.

## 3.3 Broaden development channels

The Company is committed to building an employee growth platform, unblocking the promotion channel of employees, paying attention to the cultivation of employees' comprehensive quality, constantly improving the training management system, and realizing the common development of the Company and its employees.

### Employee promotion

The Company practices the cultural concept of "contributor-oriented", takes value contribution as the guidance, combines incentive and restraint, establishes internal systems such as *Performance Management Measures*, *Attendance Management Measures* and *Qualification Management Measures*, creates a scientific and reasonable career development path for employees, and tilts honour, resource allocation and career promotion to employees with high value contribution, so as to realize the alignment of income and development opportunities with their value contribution.



#### Improve management policies and systems

- Issued the *Measures for the Administration of Positions and Position Levels*, optimised the *Measures for the Administration of the Selection and Appointment of Middle Management*, the *Measures for the Comprehensive Assessment and Evaluation of the Middle Leadership Team and its Members*, the *Measures for the Administration of Exchange and Exercise of Young Cadres*, the *Measures for the Administration of Exchange of Appointments of Middle Management*, the *Measures for the Administration of the Selection and Appointment of Managerial Personnel*, the *Procedures for the Management of the Qualifications of Professional Sequences*, and the *Procedures for the Selection and Appointment of Management Members of Business Units*.



#### Carry out special management improvement

- Build a skills level certification management system for operational employees from scratch, issue the *Management Measures for Vocational Skills Level Certification*, and continue to organize the level certification of skilled talents.



#### Effects

- The Company launched the professional title and qualification assessment and 21 people passed the title assessment (2 senior, 8 intermediate and 11 junior); 189 people under the O-sequence applied for skills level certification, of which 86 people passed the certification, with a pass rate of 46%; 58 people under M-sequence, more than 80 people from the first-line management members, and more than 460 people under the P-sequence were promoted in position levels, which further led to the enhancement of staff's ability. The promote rate for people under the P-sequence was over 90%.
- The Company initiated the work of forklift truck vocational skills level recognition in 2024, covering 274 people, with 78 people passed, including 34 junior workers, 19 intermediate workers and 25 senior workers, and the high-skilled personnel accounted for 15.22%, which has further improved the ability of the Company's skilled personnel and opened up their cultivation and development channels to promote the transformation of them to skilled talents and create a high-quality team comprising of professional craftsmen.

## Employee training

The Company follows the *Advice on the Implementation of a Lifelong Vocational Skills Training System, Provisions on Safety Training of Production and Business Operation Units*, and formulates training management systems such as *Employee Training Management Measures, Training Management And Result Application Measures, Annual Training Plan Management Process, Employee External Training Process, Annual Training Plan Management and Education Expenditure Standard* in combination with the actual situation of the Company, so as to effectively, clearly and systematically plan the training work, stimulate the learning motivation of all employees, and implement the talent development project.

The Company implements the management concept of lifelong learning, teaching for needs and linking work at selected points with that of entire areas from three aspects: system construction, training operation and awareness improvement.



### Training and operation

- Establish an integrated demand-training-evaluation standard for training and evaluation. The Three Forces assessment model is repeatedly operated to identify gaps through assessment before training and evaluate the training effectiveness after training; a four-horizontal and three-vertical training system of “making up for differences in-service stage + practical transformation in the newly-appointed stage + cognitive preparation in reserve stage” is established for cadres. In addition, we have developed a learning map for new cadres to assist them in fulfilling their management roles and provided a standardised path and methodologies to guide training for cadres.
- Innovate the training mode to cultivate versatile cadres. The theoretical quality of cadres in terms of business thinking, management and performance ability is enhanced through internal intensive training classes, self-selected classes for cadres and attending training held by the superior unit. Cadres are trained in a variety of practical ways to build up their management and integration ability, including business seminars, case study development, instructor-led teaching, rotated assistants, work in other units by rotation, and multi-position training for middle cadres. Specifically, 10 cadre certification training sessions were held at different levels: 1 session for middle cadres, 4 for on-the-job managers, 2 for new directors/managers and 3 for managerial reserves, and 19 people attended the project of “working in other units by rotation”.
- Organize training for newly recruited graduates to help them quickly adapt their jobs. Through the complex training mode of centralised training, extension training, post practice, and teacher-apprentice, which covers the three phases of “to adapt, to qualify and to develop”, we have closely followed the growth of the newly recruited graduates one by one to increase our effects for their training. We trained 88 newcomers in 2024 and selected 14 outstanding employees from those recruited in 2023 for reserve for strategic talents.
- Strengthen three-level training and organize train for the new social recruiters through the combination of online + site mode under the principle of “training upon recruitment, and attendance as much as possible”. Three training sessions were held for new employees, covering 33 people, with an overall coverage rate of 100% and a pass rate of 100%. According to the KET three-level training, the new employees under the O-sequence were trained in accordance with the requirements of their positions, with the coverage rate reached 100% and the qualification rate reached 100%.



### Awareness rising

- The Company opens seminars for senior management members to forge a team of entrepreneurial talents by focusing on self-awareness and team guiding, recognize and understand coaching techniques through experiential training, and deepen the in-depth development of personal leadership and the use of coaching techniques by one-on-one guidance.



### Special training

- Selection of two levels of forklift truck reserve talents: We established standards for the selection of forklift truck reserve talents, selected 48 people into the reservoir of highly skilled forklift truck talents at the company level, and 103 people into the reservoir of part-time forklift truck talents at the unit level, and promoted the training of 68 people to help them to obtain certificates.
- Remaining certificates: In 2024, all employees actively learnt new knowledge based on their actual business and obtained corresponding certificates from external organisations, such as Project Management Programme (PMP), to strengthen their business capabilities, with a total of 48 employees.
- Specialised training for corporate-level internal trainers: On the one hand, for internal trainers, the Company launched the Teachers Day activities to stimulate the vitality of internal trainers, involving 137 internal trainers; on the other hand, for reserve internal trainers, based on the demand for training resources in the annual training plan, the Company adopted an internal recruitment approach to stimulate a large number of sharing and professional staff to participate in the internal trainer programme. By combining online training and on-site workshops, we organised and launched TTT training and course development training, which empowered our internal trainers with course development capabilities and presentation skills. 38 internal trainers were newly trained, and 23 courses were developed.
- For first-line managers, we expanded the reservoir of first-line managers through two measures including the Academic Qualification Enhancement Class and the selection of Outstanding Managers; on the other hand, we innovated the training mode for first-line teams by combining with the scenario-based cultivation means such as mentor-apprentice teaching and mutual assistance contests to enhance the on-site management ability of the first-line managers. The multi-pronged approach has built up a strategic reserve for first-line management members.

#### In 2024



Total sessions for employee training **1,930** Times

Total attendance of employee training **328,760** Attendance

Percentage of employees participating in training by gender

Male **100** %

Female **100** %

Percentage of employees participating in training by type

Managers **100** %

Specialists **100** %

Operators **100** %



Average training hours per person **33.58** Hour/person

Average training hours per person by gender

Male **19.7** Hour/person

Female **45.6** Hour/person

Average training hours per person by employee category

Senior management **90.41** Hour/person

Intermediate management **133.95** Hour/person

Average training hours per person by type

Managers **104.53** Hour/person

Specialists **51.58** Hour/person

Operators **18.76** Hour/person



### 3.4 Care for employee’s health

The Company focuses the work-life balance of its employees, pays much attention on enterprise humanistic care, solves employees' difficulties met in life, cares the physical and mental health of female employees, shows loving care for expatriates and their family members, helps and consoles employees suffering difficulties, organizes and carries out the “Nordic Walking” and other colourful recreational and sports activities for employees, so as to make them feel the warm of “Home”.

#### Work safety

The Company adheres to the management concept of “When Rules are Internalized, Dangers are Controlled”, strictly abides by the *Law of the People’s Republic of China on Work Safety* and the *Fire Safety Law* and *Administrative Measures of Emergency Plan for Work Safety Accidents*, and establishes and improves internal systems such as *Occupational Health, Safety, Environmental Protection, and Fire Protection Accountability System*, the *Occupational Health, Safety and Environmental Management Performance Evaluation Measures*, the *Work Safety Accountability System* and the *Safety Management Measures of Relevant Parties*, one-time passes the national level supervision audit of GB/T45001 Occupational Health and Safety Management System for 2024, and provides the Company with the conditions and basic qualification necessary for production and operation, showing positive image and social responsibility of the Company.

The Company carried out the activities of Week for Occupational Disease Prevention and Control to raise employee’s awareness of occupational disease prevention, increased investment in technical defence measures, and installed occupational disease prevention Internet of Things sensors (noise, dust) at production sites to achieve online monitoring and early warning. Established and improved measures on management and despatch of labour protection products, which should be despatched sufficiently according to requirements and needs to protect employee’s occupational health.

#### Safety construction

- One-time pass the audit at the country-level of GB/T24001, GB/T33000 and GB/T45001 system in 2024, increasing the effective operating of safety, environment and quality management system.
- In accordance with China Changan’s requirements for management systems, a CMAL-HSE system audit applicable to the Company was established in 2024 and passed the assessment of an expert group.
- Optimise company-level management system documents: 2 new documents were added and 9 were revised during the year.

#### Safety management

- Continuously improve the potential hazards investigation and management process and system and carry out a series of activities such as the point inspection, daily safety inspection, various special safety inspection, randomly snap picture etc. to make all employees, from the first line employees to the leaders of the Company, to participate in safety supervision and inspection. The responsibility of all the staff for potential safety hazards investigation and management are clearly defined in the post responsibility system, to ensure full participation in potential safety hazards investigation and management.
- Combined with the key work in 2024, the Company has formulated a three-year action plan to break down the key work tasks into 8 major actions, 29 tasks and 67 action initiatives. We completed the relevant work such as the safety standardisation and certification of 9 units, improvement of the system for supervising the management of major accident hazards, and establishment of a working mechanism for the identification of safety risks. In 2024, the Company completed the certification of 100% of its units with production and operation entities in terms of safety production standardisation, improved the system for supervising the management of major accident hazards, and set up a mechanism for the identification of safety risks featured by full participation, full coverage and dynamic updates, and comprehensively took technical, engineering, management and other measures to realise controllable important safety risks.

#### Risk elimination

- Carry out in-depth potential hazard identification, comprehensively investigate all kinds of potential safety hazards, find problems, and make immediate rectification.

#### Emergency management

- Establish a sound emergency plan and the drill plan of emergency plan and organize the drills at regular intervals. The impact on production and operation is analysed in quarterly safety committees' meetings and monthly safety meetings, the preparation of emergency supplies is checked, emergency plans are examined, and drills are organised in a timely manner. The Company and its units have fully prepared to respond to emergencies with a wide range of materials, including: 1,031 pieces of emergency personal protective equipment, 337 emergency call/shouting facilities, 3,222 pieces of emergency rescue materials, 678 pieces of emergency equipment and facilities, and 321 members of the emergency team.

#### Safety education

- Since 9 November 2024, being the 33rd National Fire Safety Day, each unit of the Company has actively organised and launched various kinds of fire safety publicity activities with the theme of “Fire Safety for All, Life First” to further enhance the fire safety awareness and emergency response capability of all staff.
- A strong publicity atmosphere of fire prevention for all was created, and fire safety knowledge was disseminated 288 times through the hanging of 95 fire safety publicity banners, the posting of 128 posters, and the broadcasting of warning and educational videos on electronic screens.
- Carry out fire safety visits and experiences, simulated fire drills and other activities, work with the Fire Rescue Station to organise the volunteer firefighter’s firefighting and rescue skills training and launched activities of various kinds including Fire Equipment Search and Find, Fire Fighting Water Bowling, Fire Fighting Quiz Competition and practical drills to make the concept of fire safety deeply rooted in people’s minds. The Company conducted 37 firefighting trainings, with 5,437 people participating in these trainings.
- Fire drills were carried out at different levels, with each unit combining the annual drill plan to carry out fire evacuation and escape, thermal runaway of lithium batteries, and fire of new energy vehicles, etc. A total of 44 fire drills were carried out, with 3,082 participants, which further enhanced the staff’s awareness of fire safety and emergency response capability.

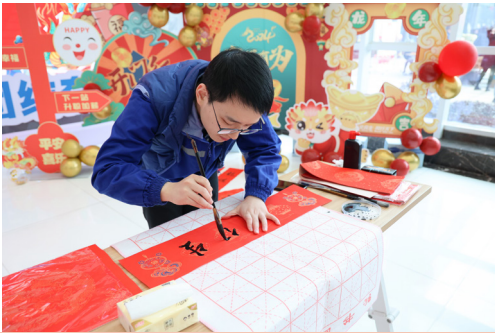
#### Occupational health

The Company follows the *Law of the People’s Republic of China on Work Safety*, *Law of the People’s Republic of China on Prevention and Control of Occupational Diseases*, *National Occupational Disease Prevention Plan*, *General Principles for Evaluation of Occupational Hazards* and other policies, implements the policy of “prevention first, prevention and treatment combination”, clarifies various occupational health management systems, implements the pre-job, on-the-job and off-the-job occupational health examination of employees involved in occupational hazards, and pays in full for employee health protection, equipment and facility investment and other expenses to ensure that employees are not affected by occupational diseases in production services. During the reporting period, the Company carried out annual monitoring of occupational hazard factors, and the occupational hazard factors of all posts did not exceed the standard. There were no occupational health cases in the whole year.



Employee care

The Company is always committed to improving employee's happiness index and encouraging employees to “work efficiently and live happily”. The Company regularly carries out recreational and sports activities to promote the normalization and diversification of activities and to stimulate employee's enthusiasm and motivation. At the same time, the Company cares about employees and regularly carries out festival greetings and birthday greetings to warm employees.



Spring Festival-themed Activities



International Women's Day Activities



Award of "Outstanding Unit of Caring for Workers" by the Chongqing Federation of Labor Unions

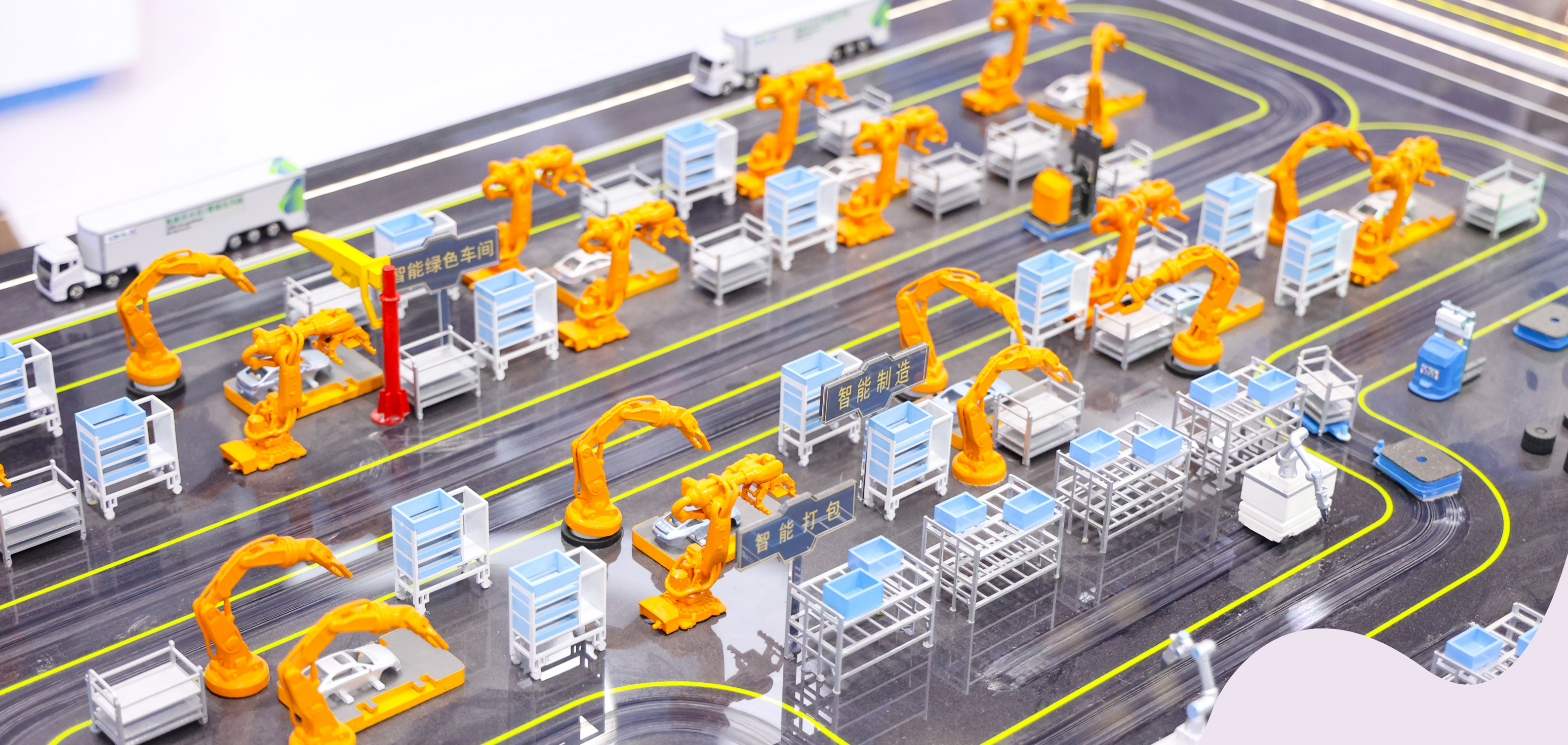


Gifts for Traditional Holidays



Nordic Walking with a theme of "Going Forward with Unity"





# 4 Industry

## Realize win-win cooperation and walk hand in hand with partners

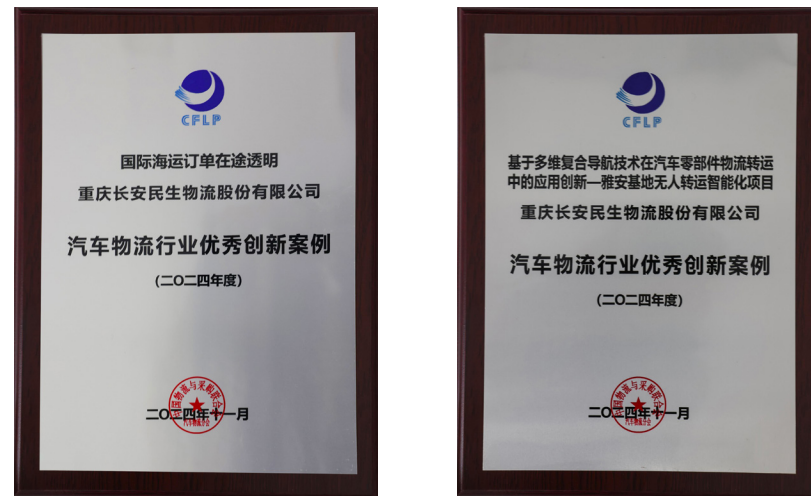
With the mission of “innovating logistics service, and making a life better”, and with a focus on customers, the Company works with customers, partners, supply chain partners and other stakeholders to achieve mutual integration and commensalism, mutual benefit and win-win results while continuously realizing its own business development.

4.1 Innovation in logistics solutions	45
4.2 Improving quality management	49
4.3 Upgrade customer service experience	50
4.4 Building a responsible supply chain	53
4.5 Promote industrial development	55



## 4.1 Innovation in logistics solutions

In order to adapt to change in future logistics industry, the Company strives to make core technological breakthrough of the logistics by focusing on the application of digital, informatization and green technologies. Taking the building of “High Efficiency” and “High Technology” of the Company as the orientation, and regarding the “Process Drives the Collaboration, Scientific Technology Facilitate the Business and Intelligence Creates the Values” as the key points, the Company aims to establish the market-oriented technology innovation system with deep combination of IUR (Industry-University-Research). The Company quickens the transformation and upgrading with the scene driving and makes great efforts to stride towards the “World-class Green Intelligent Supply Chain Logistics and Technology Company”.

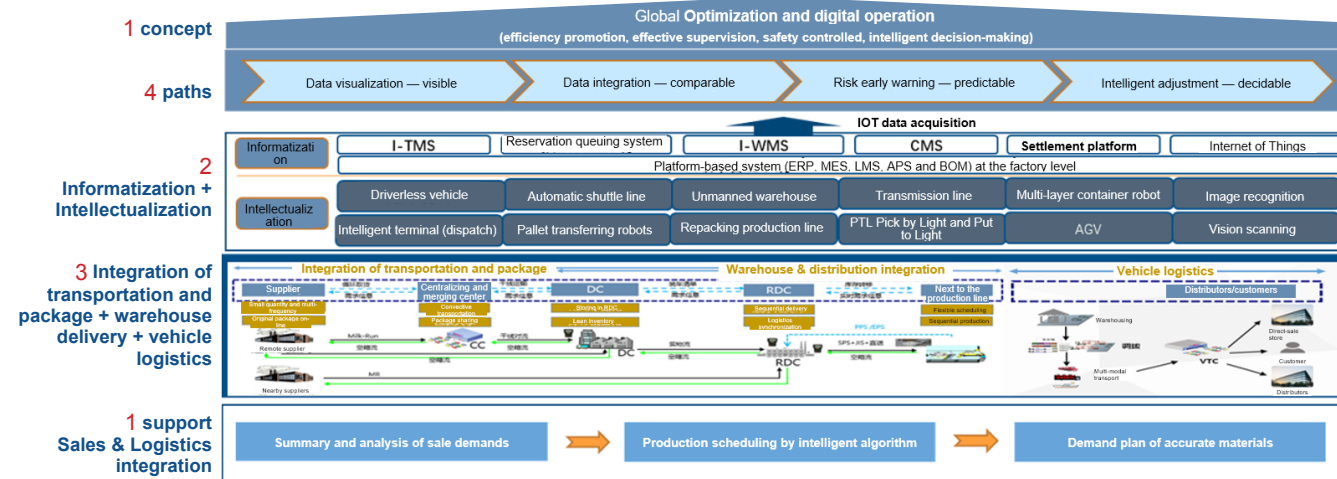


Awards for Logistics Technology Innovation by China Federation of Logistics and Purchasing

### Promote the application of intelligent technologies in logistics operation

The Company carries out the intelligent construction by focusing on the scene of logistics operation, so as to achieve the goal of supply integration, quick cooperation, excellent delivery, digital and intelligent logistics, and finally realize the low cost and high efficient intelligent logistics mode by bringing in the new planning methods, logistics mode, intelligent device, information architecture, and other manners.

## Intelligent Logistics Framework of the Company



The Company vigorously develops the integration solution of intelligent equipment and intelligent logistics, as the important manners of transformation and upgrading of high-quality development and carries out the intelligent construction by focusing on the scene of logistics operation.



## The intelligent pallet transferring robot

It consists of pallet robot, networked glass fibre pallet and intelligent circulating material box. It is applicable to the intelligent handling of material in all industries, the automatic in-and-out-of-storage management, the intelligent tracing of container, etc., making the transferring more simple and high efficiency, realizing the seamless connection of material receiving and warehousing, the intelligent identification, picking up, handling and storage of goods, as well as the flexible dispatching of various containers, building the whole intelligent process, and helping the enterprises reduce the cost and increase the profits.



Big intelligent screen

The transportation monitoring system in transit is set up based on the “*Hawkeye Map*” and vehicle-mounted terminal intelligent box, realizing the visual monitoring of the whole transportation process. The professional map platform in vertical fields of vehicle logistics is set up, thus the vehicle can be traced by the node visualization and returning point information of vehicle node, building an automotive logistics the same as the “*Express Type*” service.



Storage and delivery centre

The Company has launched the new service product of “storage and delivery centre” relying on the supply chain integration, logistics network node and other platform advantages. The digital and intelligent delivery service with visible process, data and experiences are provided at the moment of meeting the personalized service demands of the customers.



Online freight platform

The optimal and high-efficiency logistics transportation service platform of “Goods and Person” is set up in the manner of “Logistics + Internet”. Relying on the national logistics network and sources, the platform integrates the social goods owner and transport capacity source by utilizing the mobile Internet, cloud calculation, IoT, big data, block chain, and other advanced technologies, realizing a win-win platform-based development of the logistics transportation, the merchandise trade, payment and settlement, financial service, and other services of upstream and downstream enterprises of the supply chain.



Overall solution  
of intelligent  
logistics

Based on the whole work process, the Company provides 9 kinds of intelligent products, such as the intelligent monitoring, loading and unloading, storage, handling and picking, etc.; and realizes the integrated application of various equipment for customers by using AI and information technologies, and provides them with “one-stop” intelligent logistics overall solution to help their realization of the transformation of management mode of supply chain.

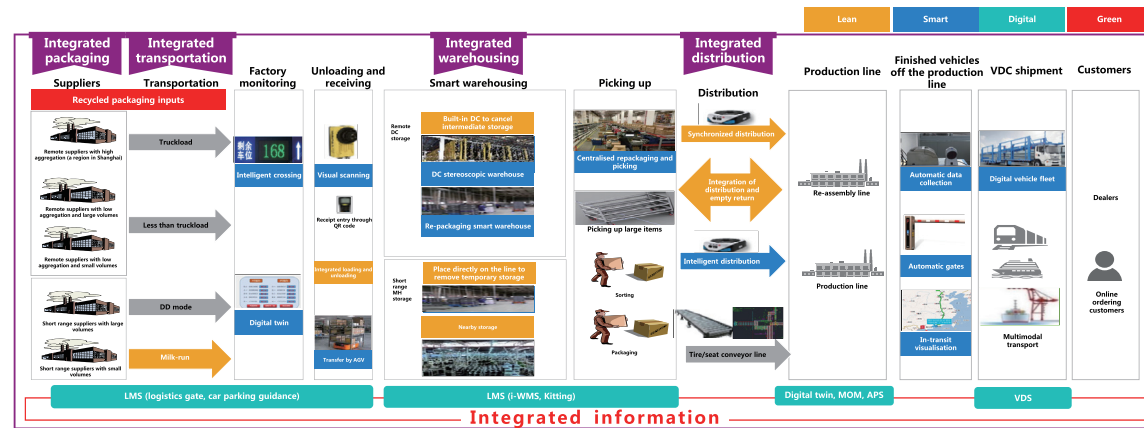




## Case

### Yubei Plant - Building a Superior Integrated Digital and Intelligent Logistics Factory

The new Yubei Plant has applied an innovative logistics mode featured of integrated transportation, packaging, storage and delivery, which comprises of milk-run + JIT direct delivery outside the plant, built-in warehouses for remote distance, and delivery to the assembly line for short distance. It has created a superior integrated digital and intelligent logistics factory with the support of full-scenario intelligent technologies including parking guidance within in the plant, visual scanning and reception, automatic storage, AGV unmanned warehousing and distribution etc.



## Build a Packaging Design Platform (CPLM)

CPLM has the functions of providing comprehensive product data management and workflow automation. Through centralised management of design files, version control and team collaboration, CPLM improves the team's efficiency, data security and traceability during the product development process and ensures seamless integration of project management and design and production.



#### Data management

Construct CPLM packaging database to centrally manage 9 templates and 391 accessories.

A total of **521** structured data that supports full life cycle traceability has been established.



#### Processes to be online

Based on the CPLM workflow, 44 package technology standards are fixed.

With the whole process of design-proofreading-auditing being online, the efficiency was increased by **30%**.



#### synergy

Relying on the CPLM project management module, a seamless transition from design to production was realized to shorten lead times.

The system-level projects were linked, and **1,494** sets of modular racks were installed.



#### Standard design

Through control by CPLM, the qualifications of 46 components were unified and 12 standards were set.

The risk of version conflicts was reduced and data security rate reached **99%**.

## Improve green packaging technology

Our company is committed to enhancing green technology and packaging technology. We provide a series of packaging products in four directions: generalisation, lightweighting, modularisation and platformisation, and identify the core technologies of packaging from the whole life cycle of materials, design, manufacturing, testing, operation and protection to support business expansion.

Specific measures of green packaging are set out as follows:



- Enhancement of core packaging technology and capacity: The Company made the first breakthroughs in the packaging and protection of sand core, automatic high-precision frame debugging and high temperature label selection and completed the design of high-precision pallets and the construction of processing capacity.
- Promote the R&D and application of packaging products: add 5 new platform, modular, lightweight and other self-developed products, achieve networked operation of milk-run, transform from the mode of suppliers self-invested pallets to the common pallets, to solve the problems of lost and misappropriated use of packages, having no operation data, management opacity of customers, etc.; modular shelves were introduced into the projects, reducing the costs of the whole life cycle by 35%; the weight of lightweight pallets is 42% lower than traditional ones, and 8,000 pieces of glass fiber networked pallets have been added to comprehensively promote packaging operations and strengthen management of suppliers' pallets and reduce costs.
- The Packaging Operation Management System realizes the systematic management of the entire process of circular packaging, and at the same time realizes the networking of packaging by using IoT tags, with the core functions mainly focusing on asset information, operation information, inventory information and data analysis.
- Relying on the self-developed packaging operation management system (CMS), the green products have facilitated the online operation of 4 projects and platform-based management of 43,087 packages, with a package loss rate of less than 3%, which is 4 percentage points lower than that of the industry.

## Advance the establishment of green platforms

The Company completed the evaluation and acceptance of the carbon footprint management platform

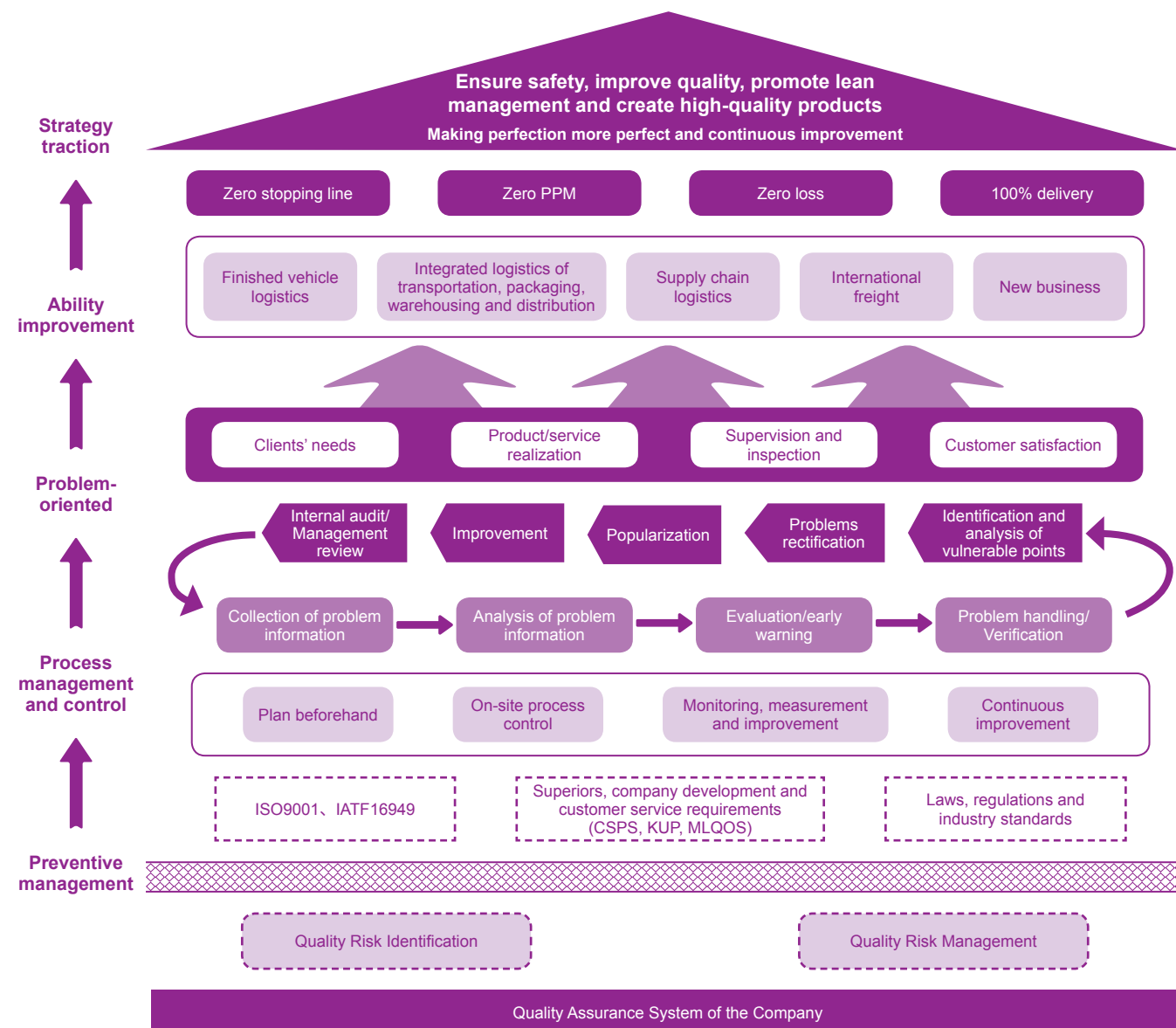


- The function of reporting carbon emission reduction has been developed and launched and applied to the carbon emission reduction project for customers. At present, 25 units of the Company have compiled and applied carbon emission data, realizing professional and digital carbon emission verification and management. The Carbon Footprint Management Platform has improved the Company's carbon management system, reduced potential policy risks, and at the same time cultivated the employees' low-carbon awareness and created a green corporate culture.

## 4.2 Improving quality management

In accordance with the requirements of ISO9001 and other international standards, the Company formulates management systems such as *QHSE Management Manual*, *Quality Risk List*, *Internal Audit Control Management Process and Management Review Management Process* to fully implement quality management.

For the quality, occupational health and safety, and environmental protection management (QHSE) system, the Company, with the customer-cantered principle, implements the “Four Everything” under the guidance of “1136 plan for daring to create career”, pays close attention to basic management and implements it to first-line teams, and ensures the production and operation of the enterprise through lean improvement and safety assurance, promoting high-quality development. At the same time, in accordance with industry laws and regulations, ISO9001, IATF16949, ISO45001, ISO14001, and customer special requirements and industry standards, with the improvement of the system as the main line, risk management and problem-oriented as the core, the Company comprehensively implements the quality and safety management principles of “excellence in quality, customer satisfaction; when rules are internalized, dangers are controlled”, and gradually achieves the goal of “zero accidents, zero defects, zero errors, zero violations, and zero complaints”.



In addition, the Company has taken a number of measures to ensure service quality and build “quality logistics”.

### Review of process quality

- According to the requirements of IATF 16949 quality system review, formulate the annual review plan, and make the status and importance of the process, the plan of new product development and the results of previous reviews included in the review planning;
- Establish the review team to ensure the independence of the review process;
- Divide the responsibility to specific departments for the nonconformities found in the review and determine improvement suggestions.

### Review and monitoring of products

- Formulate the annual product review implementation plan and prepare the *Product Review Rating Guide* according to the product quality standards;
- Establish the review team to conduct sampling inspection on products to ensure the coverage of each batch. The inspection focus includes functional test, structural inspection, appearance inspection and packaging inspection;
- Sort out and analyse the review results, put forward suggestions for improvement, and classify unqualified products;
- Implement the corrective measures, form the *Corrective/Preventive Measures Processing Sheet*. The responsible department shall be responsible for implementing the rectification within the specified time limit. The reviewers must track and inspect the implementation of the rectification, record the verification results in the form, send them to the technical department and the Company for filing.

## 4.3 Upgrade customer service experience

### Enhance services quality

The Company adheres to customer-oriented principle, implements the “Service Leading Strategy”, carries out customer service management with the concept of “breakthrough, surpassing and moving”, continues to innovate logistics services, strengthens communication with customers, and implements continuous customer tracking management.

The Company has developed internal systems such as *Customer Problem Handling Process* and *Customer Problem Handling Management Measures* to clarify customer problems, complaint handling methods, and assessment systems. It conducts assessment and accountability for customer complaints, ensuring that customer complaints can be handled in a timely and effective manner, with specific responsibilities assigned to individuals, and strict assessment to promote service quality improvement and achieve service leading.



### • Understand service positioning and create a cultural atmosphere •

- The Company persevered in the “five service commitments” (entrusted with confidence, timely response, accurate delivery, overall optimal and customized services) and determined the service objectives of “three savings and one increase” (worry saving, time saving, money saving and value-added) to create a service leading atmosphere throughout the Company and strengthen the implementation of Grass-roots Service Culture.

### • Actively listen to customers and establish an open and transparent mechanism •

- The Company has established a smooth communication channel and set up customer hotlines and mailboxes. Specially assigned persons are responsible for receiving and handling customer complaints and other issues. A good cooperative relationship with customers shall be kept by actively listening to customers voices, responding to customers' needs in a timely manner, transferring the corresponding handling mechanism and situation to customers in place, and informing customers of all the information they need to know frankly and transparently.

### • Ensure the quality of research and define the quality by customers •

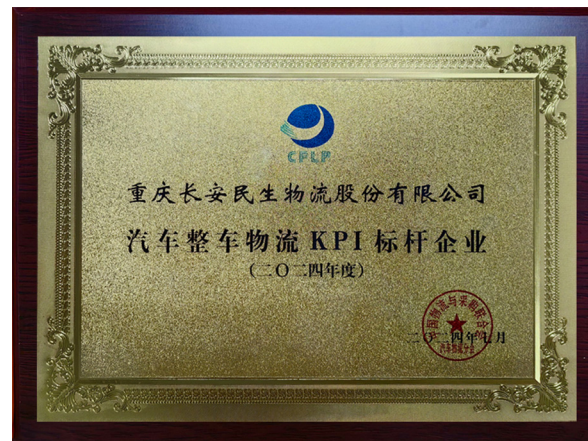
- Conduct customer satisfaction survey and visit them at quarterly intervals. Take the initiative to survey the customers of each base, fully identify customer requirements, assess and rectify the problems fed back by customers in strict accordance with the management measures, and report the rectification in the next quarter's survey. In 2024, the annual customer satisfaction is no less than 93.5 points, and the annual overall goal has been achieved.

### • Upgrade the service system and provide differentiated personalized services •

- The Company has optimized and upgraded service system, formulated and implemented a customer service model of “complaint accountability” and “customer manager system”, paid further attention to customer service complaints, and formulated customer service plans in the event of various abnormalities and emergencies.
- The Company conducted hierarchical management for customers, accurately evaluated customer demand levels, provided different service quality and methods for customers at different levels, shorten the service quality gap expected by different customers, effectively allocated service resources, and provided differentiated high-quality services to customers.



KPI Benchmarking Enterprises for Parts In-bound Logistics



KPI Benchmarking Enterprises for Finished Vehicles Logistics



Recommended Brands by Logistics Technology and Equipment Committee under China Federation of Logistics and Purchasing



Transformation Synergy Award by Changan Kaicheng



Strategic Partnership Award by Changan Automobile

In 2024



5 Piece

Number of product and service complaints



100 %

Resolution rate of complaints



94.9 %

Customer satisfaction

## Customer privacy protection

Under the background of intelligence and informatization, the Company attaches importance to personal privacy protection, constantly upgrades technology and strengthens supervision. The Company strictly abides by *Law of the People's Republic of China on Guarding State Secrets*, *Anti-Unfair Competition Law of the People's Republic of China*, *Law of the People's Republic of China on the Protection of Consumers' Rights and Interests* and other relevant national laws and regulations, formulates the *Administrative Measures for the Protection of Trade Secrets* and the *Technical Standards for Document Classification*, optimizes and improves the confidentiality management process of trade secrets, and improves the confidentiality work control requirements. The management scope covers the confidentiality management process for confidential meetings and activities, the confidentiality identification management process, and the management methods for confidential personnel. The Company fully implements customer privacy protection, protects business secrets, and safeguards customer interests.

The Company continued to promote the scientization of confidentiality work and the institutionalization of confidentiality management, building a solid foundation for the systematic confidentiality work. All departments of the Company implemented the deployment and arrangement of confidentiality work, solidly carried out security and confidentiality work, and achieved the work goal of “0” for major disclosure events. The Company continuously enriched the confidentiality team and strengthened the confidentiality awareness of personnel.

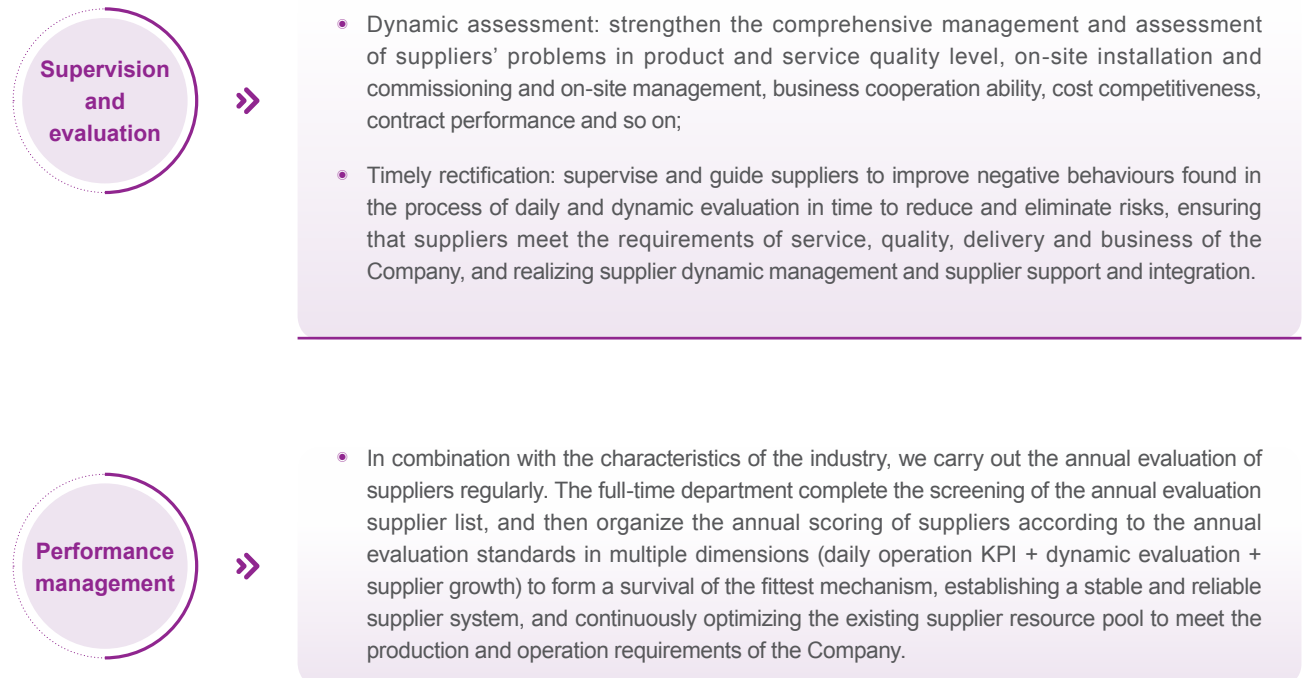
- The Company carried out the training for the person responsible for classification, publicized and implemented the working principle of “minimization, whole-process and precision”, emphasized the clear rights and responsibilities, sufficient basis and standardized procedures, and timely and accurately implemented confidentiality work.
- The Company organized relevant personnel to receive confidentiality knowledge training and build a solid security defence line. In view of various types of confidentiality risk points, detailed explanations were conducted around basic common sense, management regulations for confidential carriers and personnel, and daily information equipment usage specifications to strengthen a comprehensive and three-dimensional concept of confidentiality and security and resolutely not touch the “red line” of confidentiality and security.

## 4.4 Building a responsible supply chain

The Company regards suppliers as important resources for its own development, and has established and perfected the *Supplier Life Cycle Management Measures*, *Supplier Procurement Management Measures*, *Bid Evaluation Expert Management Measures*, *Supplier Sourcing and Entry Management Process*, *Supplier Evaluation Management Process*, *Supplier Elimination Management Process*, *Supplier Blacklisting Management Process*, *Supplier Change Audit Operating Guidance*, *Major Supervision and Inspection Operating Guidance*, *Supplier Category Change Operating Guidance*, *Supplier Blacklisting Operating Guidance*, *Supplier Sourcing and Entry Operating Guidance* and other systems, completed the optimization of supplier management system with supplier management logic based on “sourcing access - evaluation application - elimination and cleaning”, clarified business logic and rules, gradually improved the use of supplier resource base, established a supplier “selection, cultivation, use, elimination and training” management system, formed a supplier life cycle management, strengthened the effective selection, review and audit of suppliers, and improved the response management of environmental and social risks of suppliers to stabilize the supplier team, improve the quality of suppliers and establish a long-term mutually beneficial relationship between supply and demand.

Concerned about the environmental and social risks of suppliers, we incorporate the requirements of compliance with laws and regulations and action measures on environment, work safety and occupational health into the supplier access standards and evaluation standards, giving priority to the use of raw materials conducive to environmental protection and suppliers who practice environmental protection, resource conservation, safety and health and other sustainable development strategies to build a green supply chain.

During the reporting period, we preliminarily set up a supplier “selection, education, utilization, elimination and training” management system to form a full-life-cycle management of suppliers and evaluated a total of 780 suppliers from 17 business units and 11 functional centres in 2024. There are 450 suppliers in the production category, accounting for 57.7%, and 330 suppliers in the non-production category, accounting for 42.3%.



In 2024





## 4.5 Promote industrial development

### Adhere to technologies application

Being oriented toward development with high technologies and through benchmarking with industry advanced, the Company has established a lean and standard system to seek cooperation and enhance core competencies.

#### Build a science and technology management system

We have comprehensively constructed and improved a scientific and technological management system to support the steady development of scientific and technological innovation work, including a scientific and technological research and development management system, linking external resources to breakthrough earlier technologies, and developing subsystems; based on maintaining and deeply referencing other comprehensive management system standards, the technology comprehensive management system strengthened product management and assisted in internal control and audit management; the scientific and technological knowledge management system focused on building a scientific and technological knowledge database, synchronizing the experiences and lessons learned from the entire process of developing existing main businesses and incremental new businesses; the scientific and technological talent management system accumulated energy for creating a highly sophisticated and versatile talent team.

#### Demand-driven and accurate breakthrough

We adhere to the problem orientation, strengthen the research and top-level design of various requirements, vigorously cooperate with OTD delivery for the ultimate requirements of vehicle storage, delivery and transportation efficiency, reform the original business model through the combination of intelligent hardware, algorithm model and information system, and strengthen strategic coordination with customers.

#### Strive for independence and self-improvement and core controllability

We gave priority to the research and promotion of core technologies in terms of the focus and resources of scientific and technological innovation, increased the independent research and development of core technologies to get rid of limits, achieved breakthroughs around the core scenarios and core technologies of industrial logistics, and strove to promote the transformation, pilot application, replication and promotion of scientific and technological achievements.

#### “Industry-University-Research-Application” ecological cooperation

We fully absorbed the intellectual resources of colleges and universities, scientific research institutes, core technology leading enterprises and industry associations for our own use, strengthened external contact and cooperation and internal guidance, and joint project research based on projects and core technologies, shared laboratories, promoted Industry-University-Research technology exchanges and cooperation in cooperation with research institutes and other forms, focusing on the core and high-end, and attached importance to the transformation and application of achievements to enrich and improve the Company's scientific and technological R & D system and ecosystem construction.

#### Building core competitiveness

We attracted excellent teams relying on the scientific and technological innovation platform, built core teams relying on major tasks and projects, achieved accurate breakthroughs in core technologies, created a fair, inclusive and open scientific research environment, improved the incentive mechanism for scientific and technological talents, innovated the selection, employment and education mechanism, provided a relaxed atmosphere for the sustainable development of scientific and technological talents, and gradually formed an innovation culture that respects science and technology and puts science and technology first.

#### Fruitful S&T accomplishments

The Company was recognized as a national high-tech enterprise, and the number of intellectual property applications and authorizations increased steadily, making the transformation of scientific and technological achievements a powerful engine.

#### Effective incentives for scientific and technological innovation

We have established the *Management Measures for Encouragement of Scientific and Technological and Management Innovation* to enhance the enthusiasm and initiative of our staff in scientific and technological innovation. Through the effective incentive mechanism, we have set up a typical and rewarded advancement, to ensure the sustainable development of our technical services, research and innovation.

### Fruitful S&T accomplishments

In 2024, the Company won one first-class award and one second-class award for provincial and ministerial management innovation achievements. We have applied for 478 intellectual property rights, owned 192 valid patents and 174 software copyrights, ranking the leading position in the industry.



Logistics Industry Innovation Award

### Contribute to industry progress

In this year, the Company joined six industry associations, namely Chongqing International Logistics Port Service Association, China Federation of Material Handling Automobile Logistics Branch, China Federation of Logistics and Purchasing, Chongqing Logistics and Supply Chain Association, Chongqing Enterprise Association and Chongqing High-Tech Enterprise Association. In addition, the Party and Administration Office takes the lead in the work with Liangjiang New District Logistics Industry Association, and the Company serves as the president of the unit, which is committed to assisting the rapid development of the industry through the Company's innovative leadership.

The Company actively develops technical cooperation, participates in the formulation of industry standards, takes part in industry exchanges, and builds, shares and wins with industry partners. During the reporting period, the Company statistically completed 8 enterprise technical standards, and participated in the compilation of 3 national standards, namely, the dimensions and technical requirements of plastic crates for automotive parts and components, the guidelines for digital management of carbon emission data of logistics enterprises, and the indicators and evaluation methods of road cargo transport services.



#### Case

#### Promoting the strategic cooperation with CASICloud-Tech

Based on its needs for digital transformation and the deepening of cooperation in related fields, the Company has cooperated with CASICloud-Tech in jointly applying for and implementing national and provincial scientific research projects to promote the construction of intelligent logistics and supply chain digitisation. Taking using of the resources and capabilities of all parties, we have created the Industrial Logistics Big Data Cloud Platform and carried out research on the digital transformation paths and methods of industrial logistics enterprises.

The project application of Intelligent Interconnection Integration Key Technology and Platform R&D and Application under the Chongqing Municipal Core Software Major Special Policy Project has been examined and approved, which effectively guarantees the implementation of the project of Intelligent Interconnection Integration Key Technology and Platform R&D and Application.





# 5 Community

## Shoulder social responsibility bravely and jointly promote people's livelihood and lasting safety

The Company always adheres to the strict requirements of corporate citizenship, practices corporate social responsibility, and cooperates with various parties to create positive interaction between enterprises and society. It is also committed to rural revitalization, caring for vulnerable groups, building a beautiful community, and providing anti-epidemic measures and disaster relief. As a result, through diversified public benefit activities, the Company creates value and gives back to society.

- 5.1 Promoting rural revitalization 59
- 5.2 Building a happy community 60



## 5.1 Promoting rural revitalization

Never forget our original aspiration and founding mission and make an arduous journey to help the countryside. Taking the opportunity of assistance policy, the Company actively served the overall situation of rural revitalization to create a better life. To effectively do a good job in heatstroke prevention, actively promote consumption assistance, and assist in rural revitalization, the Company, in combination with the deployment requirements of the “2024 Consumption Assistance” of China South Industries Group Co., Ltd., purchased agricultural products of the helped areas at RMB200,700, warming the hearts of employees and continuously promoting the development of the unique industries in the assistance area. In terms of rural revitalization, the Company highlighted its own responsibility. In addition, the Company has allocated RMB600,000 of targeted assistance funds to Luxi County, Yunnan Province, to fulfil social responsibilities with practical actions and devote their loving hearts.

In 2024



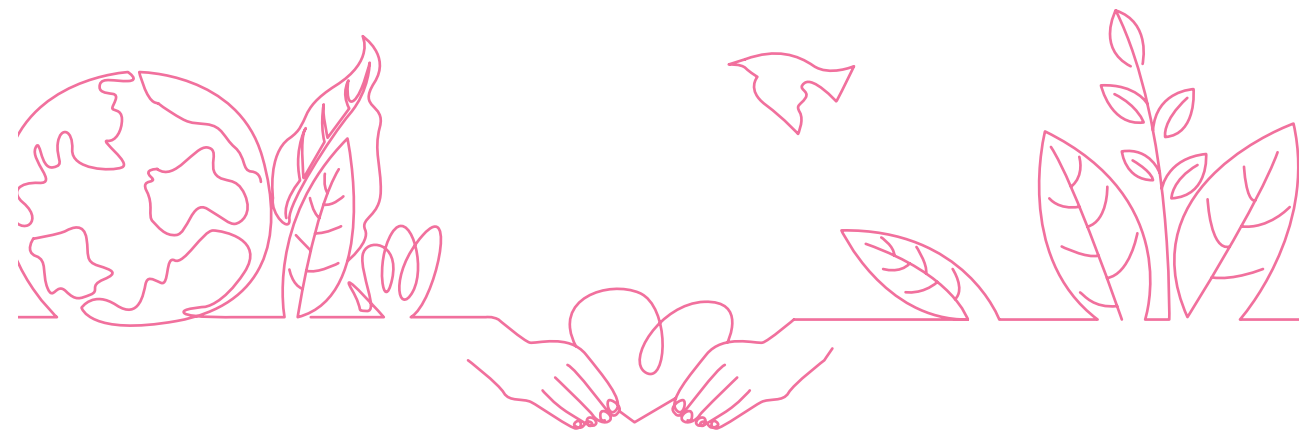
Purchased agricultural products of the helped areas at

RMB **200,700**


allocated of targeted assistance funds

RMB **600,000**


Targeted Assistance



## 5.2 Building a happy community

The Company has taken practical actions to promote the voluntary service spirit of “dedication, fraternity, mutual assistance, and progress”, mobilize the enthusiasm and initiative of employees to participate in building a beautiful community, and create a strong atmosphere for all employees to involve in and jointly build a warm community.



Case

### Voluntary Activities for CMAL Youths

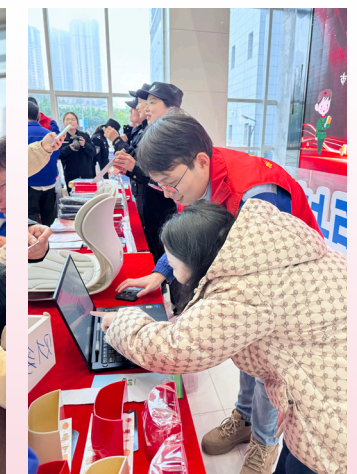
The Youth League Committee of the Company launched the voluntary activity of Learning from Lei Feng and worked with the Safety Centre in carrying out the Fire Prevention Month volunteer activity, to help volunteers master fire prevention knowledge and first aid skills, to build a strong ideological line of defence for fire safety, and to lead the CMAL youths to participate in an immersive experience of fire safety; we also carried out prize-winning competitions on fire prevention knowledge by means of interesting quizzes and interactive questions, to publicize the general knowledge of safe use of fire, electricity and gas and other fire prevention, escape and self-rescue knowledge, enhancing fire safety knowledge and self-prevention and self-rescue skills.



Case

### Volunteer Service of Anti-Fraud

The Youth League Committee of the Finance Centre carried out the voluntary activity themed at Anti-Fraud and Wallet Protection, and Make Processes Easy in an innovative manner to integrate anti-fraud publicity with the popularisation of the financial system, providing employees with a unique security open class through the innovative format of Counter Fraud Challenge and Financial System Blind Box Challenge. By showing fraudulent information, phishing emails and other fraudulent means, and through the interesting interaction of finding fault together, participants were guided to find out the fraudulent loopholes, to enhance the risk identification ability with the innovation and creativity mindset, and to build the safety awareness of the funds in practice.







## Case

## Family Open Month Activities

The Labour Union of the Company launched the family open month activities in the theme of In the Name of Family, Walking with Love to further deepen the communication and exchange between the Company and the families of its employees.



## Case

## Co-work Between Law Firm and the Company for Development

The Party Branch of Shanghai Company and the Party Branch of Shanghai Spring Law Firm launched a joint party building project to promote the solution of legal issues related to risk prevention and control in the development of Shanghai Company and joined hands to provide on-site public welfare consultation on labour and human resources and civil litigation for white-collar workers and peripheral residents of Lujiazui in Shanghai City. Both parties will continue to expand the breadth and depth of the joint party building, carry out mutual studies on a regular basis, and regularly conduct legal knowledge seminars and on-site consultation services, to jointly fulfil their social responsibilities and achieve high-quality development for both parties.



## In 2024

Participation in public charity and community volunteers



Attendance **111**



Hour **14**



## Appendix

### Key performance

### Environmental performance

Indicator	Unit	2023	2024
Used engine oil amount	t	0.89	1.76
Used engine oil density	ton/RMB100 million revenue	0.011	0.020
Amount of used toner cartridge	t	0.74	1.11
Used battery amount	t	0.68	0.15
Amount of used lamp tube	t	0.08	0.06
Amount of used forklift battery	t	58.20	169.06
Total amount of hazardous wastes	t	60.58	172.14
Density of hazardous waste	ton/RMB100 million revenue	0.76	1.92
Number of used tires	t	1.64	2.48
Amount of used paper	t	433.00	54.07
Amount of used wooden pallets	t	27.00	32.00
Number of used plastics	t	30.00	23.59
Amount of waste cardboard	t	363.33	375.00
Total amount of non-hazardous wastes	t	854.97	487.07
Density of non-hazardous waste	ton/RMB100 million revenue	10.729	5.434
Amount of waste water emission	m <sup>3</sup>	182,617.00	286,825.74
Density of waste water density	m <sup>3</sup> /RMB100 million revenue	2,291.59	3,200.11
Greenhouse gas emission (scope 1)	CO <sub>2</sub> equivalent - ton	4,269.99	1,714.88
Greenhouse gas emission (scope 2)	CO <sub>2</sub> equivalent - ton	4,433.46	5,215.25
Total emissions of greenhouse gas	CO <sub>2</sub> equivalent - ton	8,703.45	6,930.13
Greenhouse gas emission intensity	CO <sub>2</sub> equivalent - ton/ RMB100 million revenue	109.22	77.32



Indicator	Unit	2023	2024
Amount of lead-free gasoline	Liter	125,257.87	98,816.69
Amount of diesel	Liter	1,356,165.16	456,625.79
Amount of natural gas	m <sup>3</sup>	136,136.00	115,897.00
Outsourced electricity	MWh	7,773.91	9,144.74
Direct energy consumption	MWh	16,397.35	6,774.37
Indirect energy consumption	MWh	7,773.91	9,144.74
Total energy consumption	MWh	24,171.26	15,919.12
Density of total energy consumption	kWh/RMB100 million revenue	303.32	177.61
Total water consumption	m <sup>3</sup>	204,337.66	301,049.71
Water consumption density	m <sup>3</sup> /RMB100 million revenue	2,564.16	3,358.81
Water saving amount	m <sup>3</sup>	370.00	500.00
Paper	t	4.00	294.00
Wooden products	t	62.00	1,951.20
Plastics	t	192.59	192.43
Total amount of packaging material	t	258.59	3,437.63
Density of packaging material	ton/RMB100 million revenue	3.27	27.20

### Social performance

Employee total by gender, age group, employment type and region

Indicator	Unit	2023	2024
Total number of employees	Person	4,031	3,137
Total employees by gender			
Female employees	Person	1,262	1,937
Male employees	Person	2,769	1,200

Indicator	Unit	2023	2024
Total employees by age			
Age 29 and above	Person	672	834
Age 30 ~ 39	Person	1,397	1,250
Age 40 ~ 49	Person	984	736
Age 50 ~ 54	Person	553	209
Age 55 and above	Person	425	108
Total workforce by employment type			
Full time	Person	4,031	3,137
Part-time	Person	0	0
Total employees by region			
Domestic	Person	4,031	3,137
Overseas	Person	0	0

Employee turnover rate by gender, age group and region

Indicator	Unit	2023	2024
Annual employee turnover rate	%	7.9	4.5
Employee turnover rate by gender			
Turnover rate of female employee	%	1.8	3.1
Turnover rate of male employee	%	6.2	1.4
Employee turnover rate by age group			
Age 29 and above	%	2.5	2.6
Age 30 ~ 39	%	2.2	1.7
Age 40 ~ 49	%	1.1	0.1
Age 50 ~ 54	%	0.5	0
Age 55 and above	%	1.7	0
Employee turnover rate by region			
Domestic	%	7.9	4.5
Overseas	%	0	0

Employee health and safety

Indicator	2022	2023	2024
Work fatalities (case)	0	0	0
Death rate per thousand employees (person/thousand people)	0	0	0
Lost days due to general work injury (day)	0	0	0
Number of work injuries (time)	0	0	0

Employee training

Indicator	Unit	2022	2023	2024
Trained employee percentage by gender				
Female employees	%	100	100	100
Male employees	%	100	100	100
Trained employee percentage by post type				
Managers	%	100	100	100
Specialists	%	100	100	100
Operators	%	100	100	100
Trained employee percentage by employee category				
Senior management	%	100	100	100
Middle management	%	100	100	100

The average training hour completed per employee by gender and employee category

Indicator	Unit	2023	2024
The average training hour completed per employee by gender			
Female employees	Hour	50.74	45.60
Male employees	Hour	20.47	19.70

INTRODUCTION TO REPORT

STATEMENT BY DIRECTORS

ABOUT US

APPENDIX

Indicator	Unit	2023	2024
Average hours of trained employee by post type			
Managers	Hour	142.32	104.53
Specialists	Hour	30.16	51.58
Operators	Hour	20.85	18.76
Average hours of trained employee by employee category			
Senior management	Hour	50.46	90.41
Middle management	Hour	142.36	133.95

Supplier data

Indicator	Unit	2023	2024
Total number of suppliers	Nos.	1,668	1,543

Product Liability

Indicator	Unit	2023	2024
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	Not applicable	Not applicable
Analysis results of customer satisfaction survey	%	95.24	94.90
Number of products and service-related complaints received	Piece	9	5

Public investment

Indicator	2023	2024
Resources contributed to the focus area (RMB)	1,200,145	800,700



Indicator index

No.	Indicator description	Disclosure section
A1. Emissions	General disclosure On waste gas and greenhouse gas emissions, sewage to water and land, and generation of harmful and harmless wastes: (a) policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer. Note: Waste gas emissions include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, fluorohydrocarbon, perfluorocarbons and sulfur hexafluoride. Hazardous waste refers to those defined by national regulations.	2.1 Strengthen environmental management
	A1.1 The types of emissions and respective emissions data.	2.2 Practice energy conservation and emission reduction
	A1.2 Direct (scope 1) and indirect energy (scope 2), total greenhouse gas emissions (in ton) and (if applicable) density (e.g., per production unit, per facility).	2.2 Practice energy conservation and emission reduction
	A1.3 Total amount of hazardous waste generated (by t) and (if applicable) density (e.g. per production unit, per facility).	2.2 Practice energy conservation and emission reduction
	A1.4 Total amount of non-hazardous waste generated (by t) and (if applicable) density (e.g. per production unit, per facility).	2.2 Practice energy conservation and emission reduction
	A1.5 Description of the emission targets set, and the steps taken to achieve them.	2.1 Strengthen environmental management 2.2 Practice energy conservation and emission reduction
	A1.6 Description of the methods of dealing with hazardous and harmless wastes, and Description of the emission targets set, and the steps taken to achieve them.	2.1 Strengthen environmental management 2.2 Practice energy conservation and emission reduction
A2. Use of resources	General disclosure Policies for the effective use of resources, including energy, water and other raw materials. Note: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.	2.2 Practice energy conservation and emission reduction
	A2.1 Total consumption of direct and / or indirect energy (e.g. electricity, gas or oil) by type (in thousand KWh) and density (e.g. per production unit and per facility).	2.2 Practice energy conservation and emission reduction
	A2.2 Total water consumption and density (if calculated per production unit and per facility).	2.2 Practice energy conservation and emission reduction
	A2.3 Description of the energy efficiency objectives set, and the steps taken to achieve them.	2.2 Practice energy conservation and emission reduction
	A2.4 Description of any problems that may arise in obtaining a suitable water source, as well as the water efficiency objectives set, and the steps taken to achieve them.	2.1 Strengthen environmental management 2.2 Practice energy conservation and emission reduction
A3. Environment and natural resources	A2.5 The total amount of packaging materials used for finished products (in tons) and, if applicable, the proportion per production unit.	2.2 Practice energy conservation and emission reduction
	General disclosure Policies to reduce the issuers significant impact on the environment and natural resources. A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	N/A (the Company's business operation has no significant impact on the environment or natural resources)

No.	Indicator description	Disclosure section
A4. Climate change	General disclosure: Policies for identifying and responding to major climate related matters that have and may have an impact on the issuer.	2.3 Combat climate change
	A4.1 Description of major climate-related issues that have affected and may affect the issuer and countermeasures.	2.3 Combat climate change
B1 Employment	General disclosure On remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	3.1 Build a diversified team
	B1.1 Total employee by gender, employment type (such as full-time and part-time), age group and region.	3.1 Build a diversified team
	B1.2 Employee turnover rate by gender, age group and region	3.1 Build a diversified team
B2 Health and safety	General disclosure On providing a safe working environment and protecting employees from occupational hazards: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	3.4 Care for employee's health
	B2.1 The number and rate of work-related deaths in each of the past three years (including the reporting year).	3.4 Care for employee's health
	B2.2 Lost days due to general work injury	3.4 Care for employee's health
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	3.4 Care for employee's health
B3 Development and training	General disclosure On policies on enhancing employee's knowledge and skills in performing their duties. Description of training activity Note: The training refers to vocational training, including internal and external courses paid by the employer.	3.3 Broaden development channels
	B3.1 Percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc.).	3.3 Broaden development channels
	B3.2 The average training hour completed per employee by gender and employee category	3.3 Broaden development channels
B4 Labour standards	General disclosure On the prevention of child or forced labour: (a) policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	3.2. Protection for employees' rights and interests
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	3.2. Protection for employees' rights and interests
	B4.2 Description of steps taken to eliminate such practices when discovered.	3.2. Protection for employees' rights and interests

No.	Indicator description	Disclosure section
B5 Supply chain management	General disclosure Environmental and social risk policy of the supply chain management.	4.4 Building a responsible supply chain
	B5.1 Number of suppliers by region.	4.4 Building a responsible supply chain
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	4.4 Building a responsible supply chain
	B5.3 Description of the practices for identifying environmental and social risks in each link of the supply chain, and relevant implementation and monitoring methods.	4.4 Building a responsible supply chain
	B 5.4 Description of the practices of promoting the use of environment-friendly products and services during the selection of suppliers, and relevant implementation and monitoring methods.	4.4 Building a responsible supply chain
B6 Product responsibility	General disclosure On health and safety, advertising, labelling, privacy and remedies for the products and services provided: (a) policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	4.3 Upgrade customer experience
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The percentage of total products sold or shipped subject to recalls for safety and health reasons is zero.
	B6.2 Number of products and service-related complaints received and how they are dealt with.	4.3 Upgrade customer experience
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	1.4 Intellectual property protection
	B6.4 Description of quality assurance process and recall procedures.	4.2 Improving quality management
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.3 Upgrade customer experience
B7 Anti-corruption	General disclosure On prevention of bribery, extortion, fraud and money laundering: (a) policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	1.3 Anti-corruption
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Anti-corruption
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	1.3 Anti-corruption
	B7.3 Description of the anti-corruption training provided to the Board and employees.	1.3 Anti-corruption
B8 Community investment	General disclosure Policy on community participation to understand the needs of the operating community and ensure that its business activities take into account the interests of the community.	5.1 Promoting rural revitalization 5.2 Building a happy community
	B8.1 Focus on areas of contribution (e.g. education, environmental matters, labour needs, health, culture, and sports).	5.1 Promoting rural revitalization 5.2 Building a happy community
	B8.2 Resources (such as money or time) used in the area of focus.	5.1 Promoting rural revitalization 5.2 Building a happy community





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