路歌
LOGORY

LOGORY LOGISTICS TECHNOLOGY CO., LTD.

合肥维天运通信息科技股份有限公司

A joint stock company incorporated
in the People's Republic of China with limited liability
Stock Code : 2482

2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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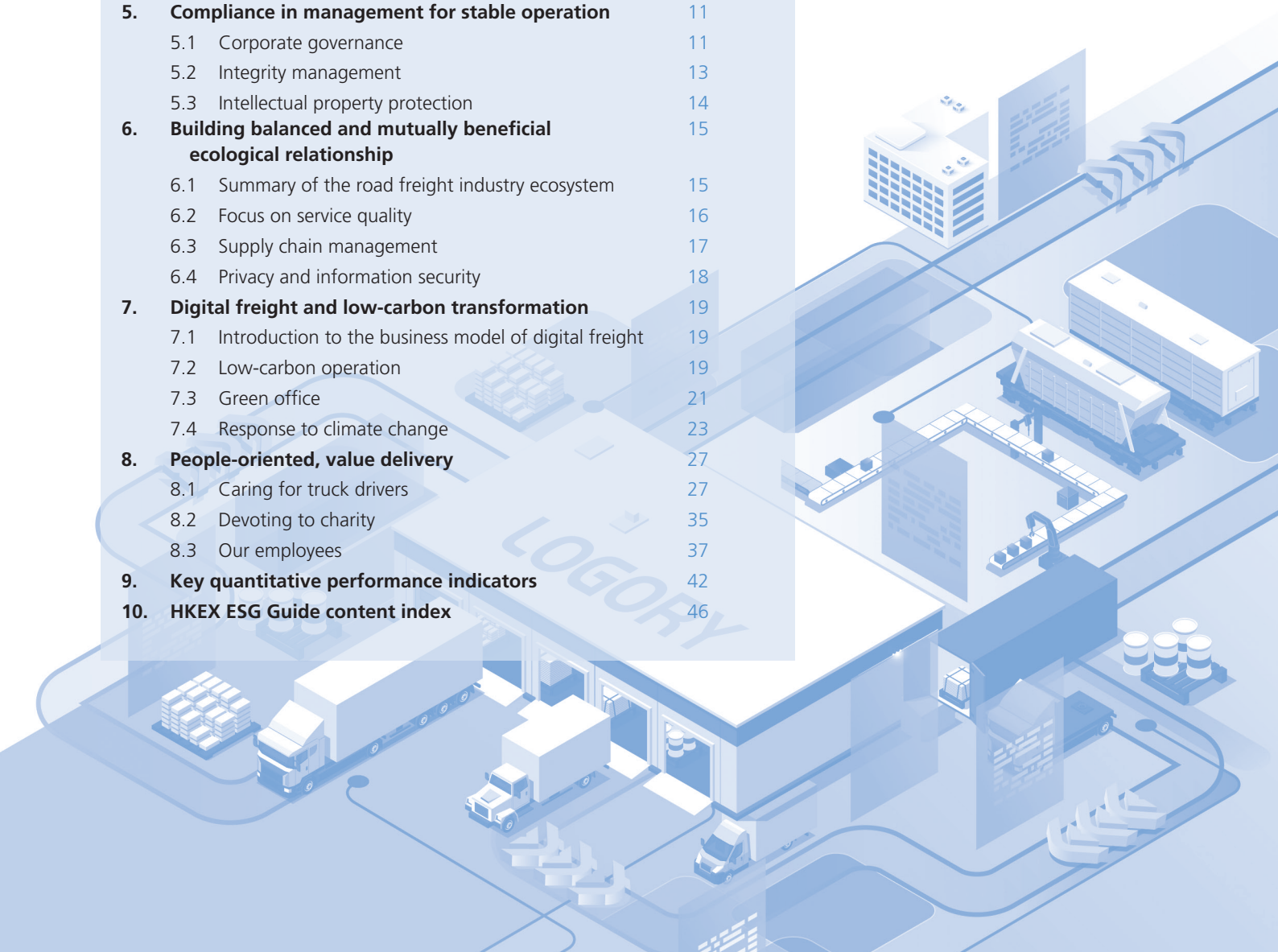


1. EXPLANATION ON PREPARATION OF THE ESG REPORT

1.1 Release form of the Report

This Environmental, Social, and Governance ("ESG") report is presented in electronic version and available in Chinese and English. In case of ambiguity or conflict between the two languages, the Chinese version shall take precedence.

1.2 Basis of preparation

This report provides a summary of the performance in the environmental, social and governance aspects of Logory Logistics Technology Co., Ltd. (the "Company", together with its subsidiaries, collectively referred to as the "Group", "Logory", "we", "us" or "our") in 2022. This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEx"). In particular, the relevant contents of dealing with climate change are prepared by referring to the HKEx Guidance on Climate Disclosure and the framework suggested by the Task Force on Climate-related Financial Disclosures (TCFD).

1.3 Reporting principles

This report follows the reporting principles in HKEx's Environmental, Social and Governance Reporting Guide, including:

- **Materiality principle:** In accordance with this principle, this report has been developed through repeated discussions and direct communication with stakeholders to understand the core concerns of stakeholders and to identify the issues that need to be highlighted in the report. Issues that may have a material impact on the Group's business, investors and other stakeholders are highlighted.

- **Quantitative principle:** In accordance with this principle, this report discloses key quantitative performance indicators, and gives illustrations on the implications of the indicators with explanations on the calculation basis and assumptions and describes their purpose and impact in a timely manner.

- **Balance principle:** In accordance with this principle, this report reflects objective facts and provides an unbiased picture of the Group's ESG performance, and avoids misleading the readers of the report and omissions of material information.

- **Consistency principle:** In accordance with this principle, this report clearly explains the statistical methods and criteria of the key ESG quantitative performance indicators disclosed, and tries to ensure that the indicators and calculation methods in different reporting periods are consistent to enable meaningful comparison of relevant data in the future and reflect the trend in performance standards.

1.4 Reporting scope

The report covers the business operations of Logory from January 1, 2022 to December 31, 2022 and provides an overview of the Group's overall ESG performance. To maintain the continuity and integrity of information, reviews and outlooks are given for some content. This report covers Logory Logistics Technology Co., Ltd. and its subsidiaries and is consistent with the scope of the consolidated financial statements in the annual report.

Unless otherwise stated, the information involved in this report is derived from our Group's documents and statistical reports, and the currency involved is Renminbi ("RMB").

1.5 Contact us

For feedback and comments on this report, please email us at ir@logory.com or mail a letter to No. 2700, Chuangxin Avenue, High-tech District, Hefei, Anhui Province, China 230031 For more information, please visit our official website at http://www.logory.com.

2. STATEMENT FROM THE BOARD

The Group operates one of the largest digital freight platforms in China and have created the largest community for truckers and logistics industry in China. We insist on integrating our corporate development into the overall development of society, and actively fulfil our corporate social responsibility, aiming to build a better and more civilized industry ecosystem together with our employees, customers, suppliers and other business partners. In the future, we will adhere to our original intention and the concept of placing equal emphasis on economic benefits and social responsibility, and strive to achieve a win-win situation in both corporate development and social responsibility.

To achieve this goal, Logory has established a top-down ESG governance structure with the Board of Directors ("Board") as the highest leading and responsible body. The Board has the collective responsibility for establishing, adopting and reviewing our policies on ESG-related matters and assessing, identifying and addressing related risks. An ESG management team (the Safety Committee) under the Board is established, with the Chairman of the Board serving as the director of the Safety Committee, the general manager serving as the deputy director of the Safety Committee, and the supervisors and head of each department serving as the first person in charge, being the management to maintain control over ESG-related tasks assigned from Board. The Safety Committee has set up a Safety Committee Office, and shares the responsibility of ESG-related control with the President's Office, the logistics support department, the human resources department and the labour union, while various functional departments and subsidiaries are responsible for carrying out and facilitating the implementation of ESG-related work and reporting on a regular basis.

The Group believes that maintaining a close relationship with our stakeholders is essential to our business operations and sustainable development. Therefore, we fully and carefully consider the impact of our business activities, products and services on our stakeholders, and communicate, conduct research and collect their opinions through various means such as customer service hotlines, surveys, feedback platforms, general meetings and regular reports, etc. Through communication and research, we have identified compliance and governance, green operation and energy saving, and business integrity as the three most important issues to stakeholders, followed by information security and privacy protection, product and service quality, and customer service and communication. Based on these opinions, the Board of the Group and the ESG Management Team will further discuss and provide targeted solutions to incorporate stakeholders' opinions into the Group's daily operations and long-term development plans.

The Group aims to promote the digital transformation of logistics industry. Through online and digital transformation of business processes, logistics customers, truckers, freight brokers, truck aftermarket service providers and supply chain manufacturers will enjoy the convenience and intelligence of business operations brought by digitization, and production and operation will be facilitated.

We also advocate all parties in the road freight digitization ecosystem to work together to find sustainable solutions for the overall green transformation of the road freight industry. For example, we are enhancing the adoption of *Haoyunbao* (好運寶) APP among truckers to achieve paperless operation. In order to further reduce carbon emissions and solve the problem of high energy consumption in the road freight industry, we encourage logistics customers and truckers to use new energy trucks for transportation, and are actively exploring multi-modal transportation services such as road-rail combined transportation and public-water combined transportation. In our daily business operations, we also advocate paperless office to reduce carbon emissions and use smart mobile office platform to avoid unnecessary carbon footprint, so as to further reduce resource consumption and minimize the negative impact on the environment and society.

3. ABOUT LOGORY

3.1 Overview of Logory

Logory has built a digitalized ecosystem for road freight transportation in China and operates one of the largest digital freight platforms in China. Our platform provides digital freight services and solutions for inter-city and intra-city road freight to shippers, including logistics companies and cargo owners, as well as truckers.

We have been dedicated to the promotion of the digitalization of China's road freight transportation industry over the past two decades. Based on our insights into the industry, we have been providing industry-leading digital solutions to our customers with continual upgrades.

Our development milestones:

Year	Events
2002	• Beijing Yihe Jiaxun was established in Beijing, China
2005	• Launched *Guanchebao* （管車寶）, our self-developed SaaS solutions, signifying the first development phase of our digital freight business
2010	• Our Company was established in Anhui, China
2013	• Established our digital freight platform
2014	• Launched *Trucker Community* （卡友地帶）, the first "online + offline" community for truckers in China, reflecting our strategic transformation to another new development stage
2017	• Selected as one of the First Group of Pilot Enterprises for Digital Freight Businesses （首批無車承運試點企業） in China
2020	• Awarded 477th among the Top 500 Private Enterprises in China （中國民營企業500強）
2021	• Awarded 432nd among the Top 500 Private Enterprises in China（中國民營企業500強）for the second time • Awarded Best Exemplary Enterprise of Innovative Logistics and Supply Chain Management（物流與供應鏈管理創新最佳示範單位）by Smart Logistics Committee of China Communications and Transportation of Association（中國交通運輸協會智慧物流專業委員會） • Awarded Key "Little Giant" Enterprise（專精特新"小巨人"企業）by the MIIT
2022	• Awarded 340th among the Top 500 Private Enterprises（全國民營企業500強）for the third time
2023	• Listed on the Main Board of HKEx, stock code: 02482.HK

With outstanding achievements and quality services, Logory has been honored as one of the "Top 500 Private Enterprises in China" （中國民營企業500強） for three consecutive years and awarded as a AAAAA Digital Freight Platform Enterprise （5A級網絡貨運平台企業）, and selected by the MIIT, the NDRC and the Ministry of Commerce as the National Exemplary Platform for Public Services by Small and Medium Enterprises （國家中小企業公共服務示範平台）, National Exemplary Enterprise for Smart Logistics （全國智慧物流配送示範企業）, Key Pilot Unit for Logistics Information Platform （骨幹物流信息平台試點單位） and National Key "Little Giant" Enterprise （國家級專精特新"小巨人"企業）.

During the reporting period, the Group's revenue amounted to RMB6.2 billion and adjusted net profit amounted to RMB45.11 million. We had served approximately 12,000 shippers and 2.80 million truckers who had completed an aggregate of over 38.0 million shipping orders on our platform from the inception of our digital freight business to December 31, 2022.

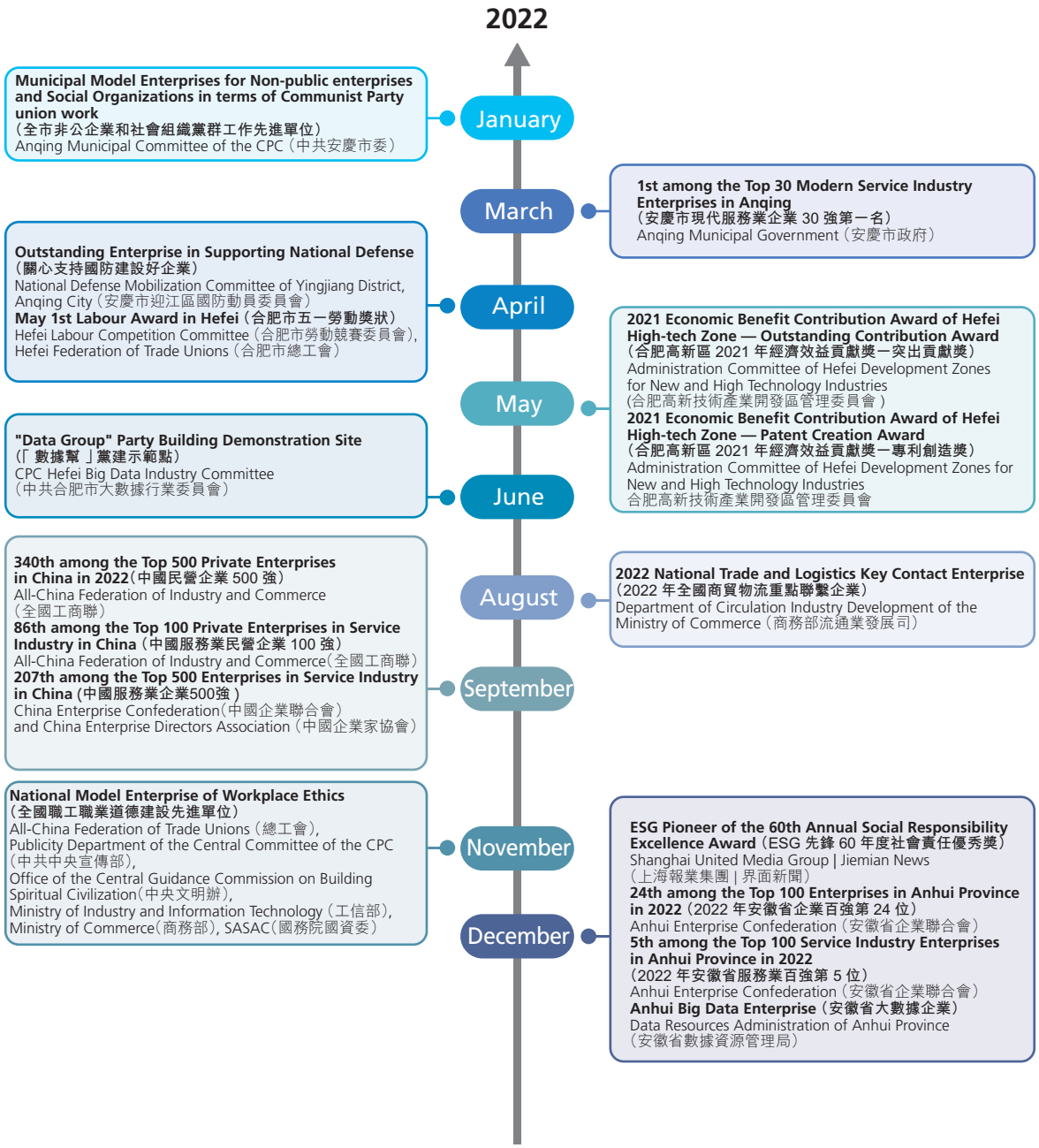
3.2 Corporate culture

Moving to the right (運有道，善如流). We always adhere to our corporate values of "truthfulness, impartiality and altruism" and integrate the six management philosophies of "not being evil", "targeting at the main battlefield and aiming for the right time", "focusing on customer value and optimizing user experience", "creating value and make reasonable profits", "achieving win-win with partners" and "sharing business benefits with employees" into our corporate development strategy. Through innovative technology applications and service models, we aim to create a benign logistics ecosystem as a leader in the digital freight industry and become a digital support platform for the benign logistics ecosystem.

Corporate Mission	• To create a benign logistics ecosystem through innovative technology applications and service models, so that logistics people can walk in the right way and take the right way.
Corporate Vision	• As a leader in the digital freight industry, to become a digital support platform for a benign logistics ecosystem.
Core Values	Corporate core values are the definition of our operation rules, which propose specific action initiatives to accomplish our mission and realize our vision, and are the basic standards for measuring the quality of the Group's people and work, as well as the criteria for our thinking and behavior towards success. • **Truthfulness:** To face up to problems, identify contradictions, and constantly pursue the next level of truth, and to obtain correct judgment and methods from the most fundamental level. • **Impartiality:** To discuss issues in the overall interest, using objectivity as the standard, fairness as the criterion, and take the matter on its merits. • **Altruism:** To create value for others as a prerequisite for one's own benefit, to trust each other, and to achieve mutual success.
Business Philosophy	• **Noting being evil:** Follow the principles of society and nature; strictly protect the information security of users and do not harm the interests of users and society. • **Targeting at the main battlefield and aiming at the right time:** Focus on the main problems of the logistics industry, analyze the main contradictions, grasp the right moment and seize market opportunities. • **Focusing on customer value and optimizing user experience:** Provide users with products and services that are in line with industry trends and to achieve the best user experience. • **Creating value and making reasonable profit:** Under the premise of creating value for customers, seek reasonable profit for the company. • **Achieving win-win with partners:** Share the benefits and risks with our partners. • **Sharing business benefits with employees:** The Company will continue to implement and improve its share incentive plan.

3.3 Social recognition

With outstanding achievements and quality services, Logory has been honored as one of the "Top 500 Private Enterprises in China" （中國民營企業500強） for three consecutive years and awarded as a AAAAA Digital Freight Platform Enterprise （5A級網絡貨運平台企業）, and selected by the MIIT, the NDRC and the Ministry of Commerce as the National Exemplary Platform for Public Services by Small and Medium Enterprises （國家中小企業公共服務示範平台）, National Exemplary Enterprise for Smart Logistics （全國智慧物流配送示範企業）, Key Pilot Unit for Logistics Information Platform （骨幹物流信息平台試點單位） and National Key "Little Giant" Enterprise （國家級專精特新"小巨人"企業）.



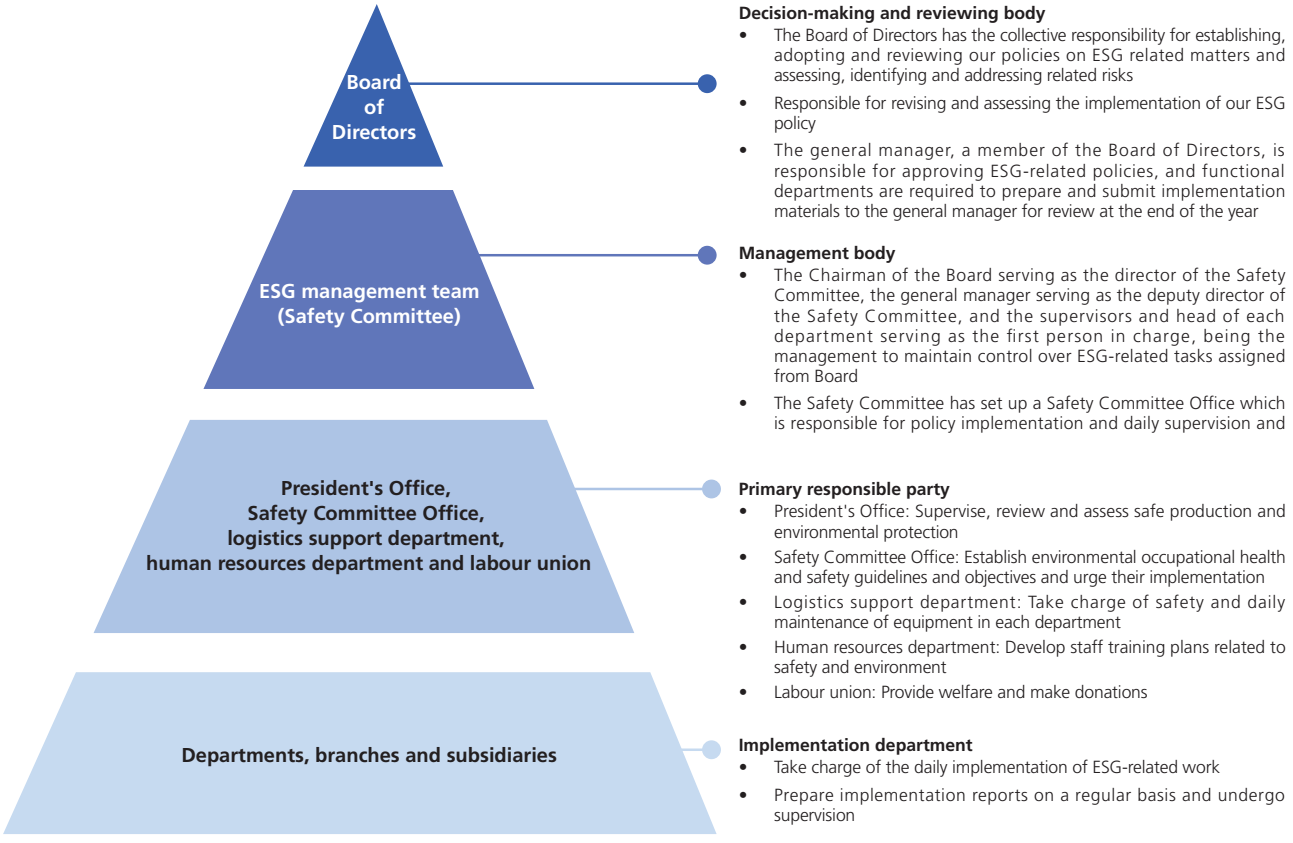
2022 Corporate honours

4. ESG GOVERNANCE STRUCTURE

4.1 ESG philosophy and governance structure

The Group adheres to the ESG philosophy of "creating economic value while assuming social responsibility", actively promotes ESG management, and is committed to creating a humane digital freight ecosystem, facilitating the low-carbon transformation of the logistics industry, and empowering sustainable development in the upstream and downstream along the value chain.

The Group has established a top-down ESG governance structure with the Board as the highest leading and responsible body. The ESG management team (the Safety Committee) being the management, maintains control over ESG-related tasks assigned from Board. The President's Office, the Safety Committee Office, the logistics support department, the human resources department and the labour union share the responsibility of ESG-related control, while various functional departments and subsidiaries are responsible for carrying out and facilitating the implementation of ESG-related work and reporting on a regular basis. We believe that effective ESG management is inseparable from the attention of the Group's senior management and the participation of all employees. This structure can fully mobilize the initiative of all members of the Group to ensure the continuous development of ESG management and the achievement of ESG objectives.



ESG governance structure of Logory

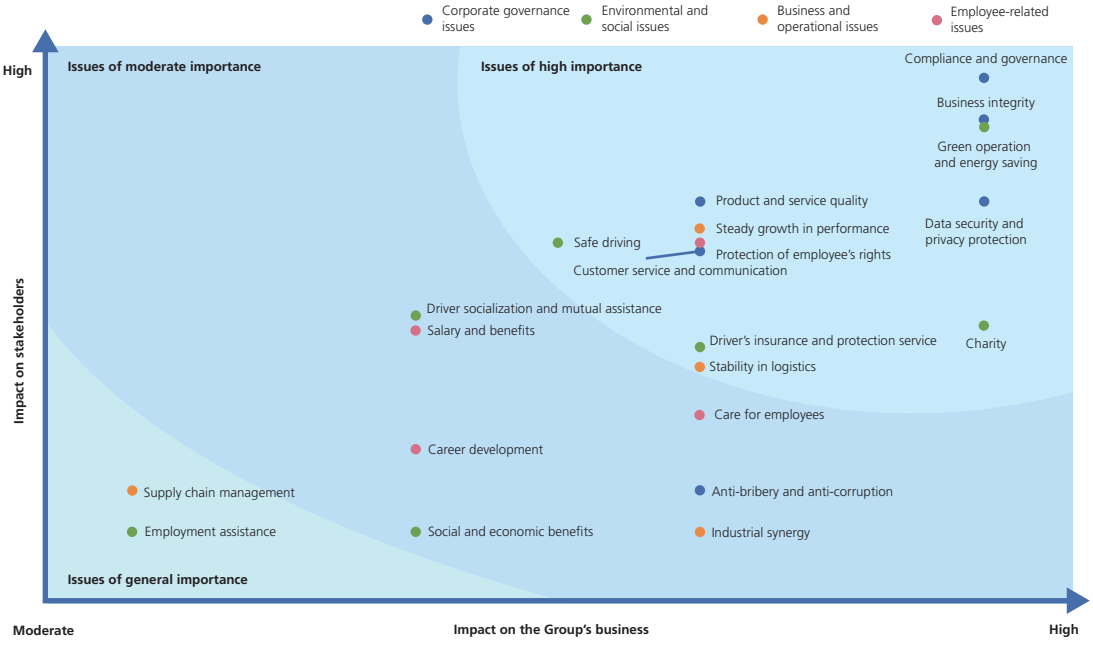
4.2 Stakeholder engagement

Based on our business and industry characteristics, we have identified seven major stakeholders: customers, truckers, employees, ecosystem partners, the public and community, investors and shareholders, government and regulatory authorities. We actively expand the communication channels with our stakeholders in all aspects of our daily operations, listen to their opinions and feedback, and establish a regular communication mechanism to continuously improve the effectiveness of our communication with them.

Stakeholders	Issues of concerns	Means of communication and response
Customers	Information security and privacy protection Stable transportation operations Customer service and communication Green operation and energy saving Product and service quality Anti-bribery and anti-corruption	Customer service hotline Customer survey Customer visits and meetings Feedback platform Industry forums Ongoing operations and R&D investment
Truckers	Stable transportation operations Information security and privacy protection Insurance coverage Driving safety Social and mutual assistance Product and service quality	Feedback platform Drivers caring activities Customer service hotline Diverse product offerings Introduce drivers to join the union
Employees	Compensation and benefits Protection of rights Promotion and development Humanity care	Satisfaction survey Suggestion box Strengthening skills training Team building activities
Ecosystem partners	Supply chain management Industrial synergy Business integrity Anti-bribery and anti-corruption	Consensus meetings Development of supply chain management system Transparent purchasing process Enriching product functions
Public communities	Public charity Green operation Energy saving Business integrity Social and economic benefits	Community donation Improving industry efficiency Poverty alleviation
Investors and shareholders	Steady growth Compliance and governance Social and economic benefits Green operation and energy saving Product and service quality	General meetings Online communication Site visit Regular reports Roadshow
Government and regulatory authorities	Compliance and governance Social and economic benefits Employment Anti-bribery and anti-corruption	Government-enterprise seminars Survey and research Work reports Unscheduled inspection

4.3 Determination of material issues

During the reporting period, the Group formulated 21 ESG-related issues through benchmarking analysis and stakeholder analysis, towards which our ESG governance work was oriented in 2022, and made corresponding disclosures and responses in this report.



5. COMPLIANCE IN MANAGEMENT FOR STABLE OPERATION

5.1 Corporate governance

5.1.1 Summary of corporate governance

Logory is committed to maintaining a high level of corporate governance and keeping our stakeholders fully informed about the management and development of the Group. We firmly believe that good corporate governance is a solid foundation for our business operations and sustainability.

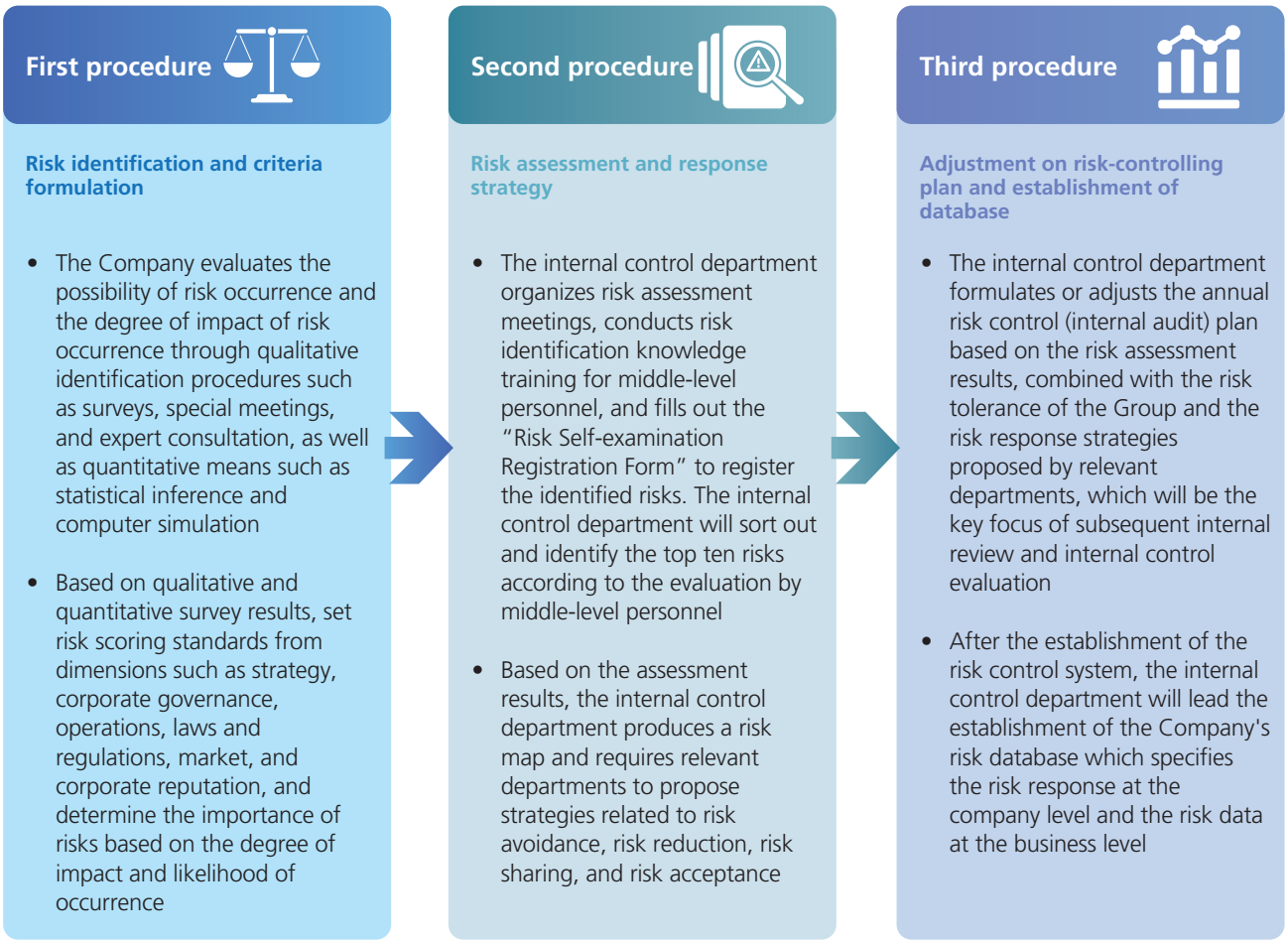
The Group has determined that the board of directors is responsible for business management and operations, while the board of supervisors oversees the financial position of the Group to ensure the maintenance of a sound and effective internal control and risk management system. Non-executive directors who provide the board of directors with various business and financial experience are mainly responsible for supervising corporate governance and providing professional views and judgments to the board of directors. Independent non-executive directors of the Group account for one-third of the board of directors, providing independent judgment for the board of directors to protect the interests of shareholders and the Group.

In order to improve the efficiency of the board of directors, we have formulated the board diversity policy, which sets out the objective and approach for achieving and maintaining board diversity and takes various factors into consideration to realize board diversity. We pay attention to various factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and educational background, etc. The current members of the board of directors have a balanced combination of knowledge, skills and experience, including professional capabilities in various fields such as information technology, communication, computer science and application, asset management, accounting and economics.

5.1.2 Risk management and internal control

The sufficiency and effectiveness of risk management and internal control system are an important guarantee for the realization of the Group's strategic goals. We have developed an internal risk management and internal control manual which covers all aspects of our business operations, such as human resources, information technology and finance.

In order to ensure compliance with relevant laws and regulations in our operation, we have designed and adopted strict internal control procedures. Currently, the Group has established 17 internal control procedures, including capital and authorization approval control, procurement and procurement acceptance control, contract and approval control, preparation of financial reports and its control, human resource planning and demand control. Our internal control team will work closely with the legal, compliance and financial teams to conduct risk assessments for the improvement on business efficiency and monitor the effectiveness of internal control for the increase in the internal control and risk management awareness of the entire Company.



Risk management procedures of the Group

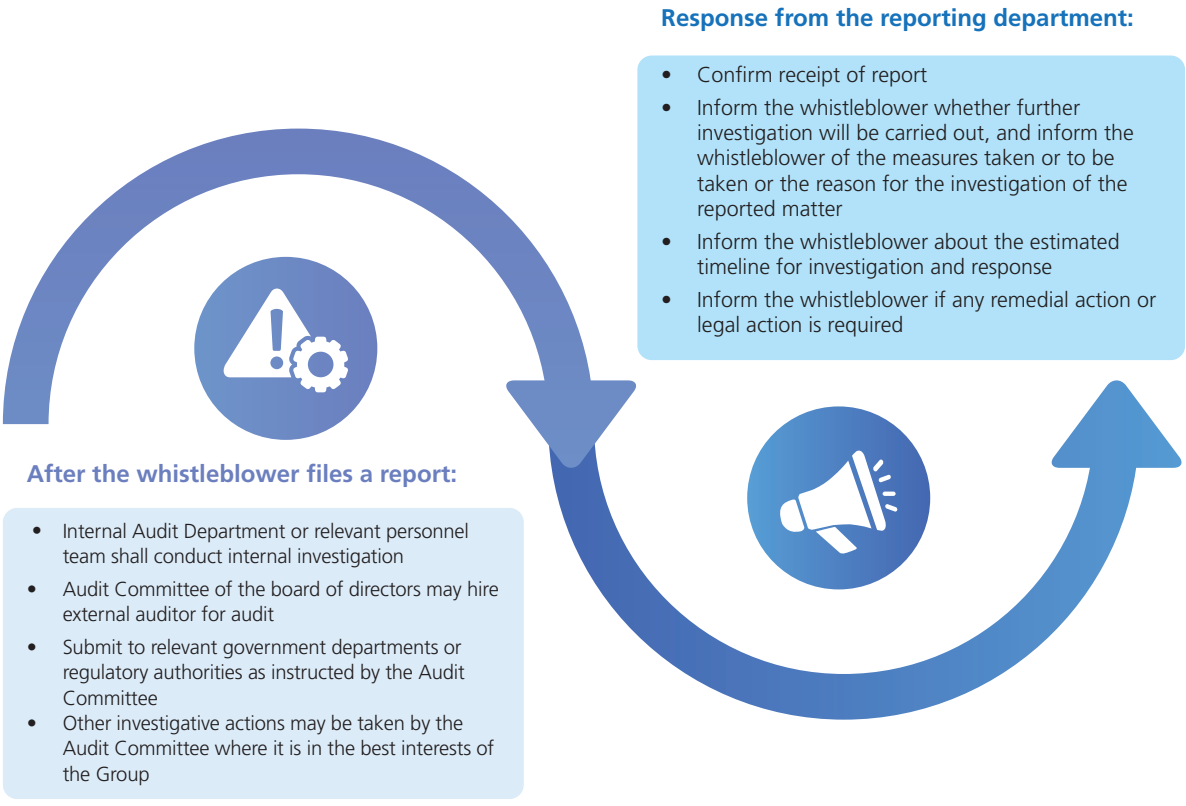
5.2 Integrity management

The Group is committed to operating its business in accordance with the principles of honesty, morality and integrity, and adopts the principle of zero tolerance for corruption. In order to implement our commitments and create a good, clean and efficient environment, the Group strictly abides by relevant laws and regulations in China such as the "Company Law of the People's Republic of China", the "Interim Provisions on Prohibition of Commercial Bribery" and other local regulatory policies and implements the "Anti-corruption Policy" to standardize the conduct of the Company's employees and encourage the Group's joint venture partners, representatives of associates, customers and suppliers to abide by the principles of such policy.

Pursuant to the Anti-corruption Policy, all employees of the Group are strictly prohibited from directly or indirectly offering, promising, giving or authorizing any bribe or commission to any person or for their benefit; requesting, accepting or receiving any bribe or commission from any person to obtain improper business and improper benefits. It is also strictly prohibited for employees to intentionally engage in, participate in or otherwise involved in fraudulent acts such as money laundering, obstruction of justice, misappropriation, theft, and false statements. At the same time, the Group has strictly supervised suppliers and required all suppliers and other partners to sign the "Integrity Cooperation Agreement" to promote the improvement of the Group's integrity, improve the internal supervision mechanism, and standardize the Company's operation and management.

In order to better implement the anti-corruption policy, we conduct regular anti-corruption training for employees, and set up an internal audit department to supervise and monitor the internal economic and business activities of the Group. In the event of significant incident, the internal audit department will follow up the whole process and participate in the supervision in the form of audit. The internal audit department is also responsible for reviewing the appropriateness of each department's responsibility determination and punishment proposals. Moreover, it has the right to directly investigate various violations and dereliction of duty if necessary, issue responsibility determination opinions, and put forward corresponding punishment recommendations.

The Group has established a series of reporting systems and handling systems. All employees are responsible for reporting any corruption, bribery, and fraud in a timely manner in accordance with the Group's procedures. The Group encourages and protects all reports that are made in good faith and is committed to protecting whistleblowers from unfair dismissal, harm or unreasonable punishment, to uphold the highest standards of openness, integrity and accountability for reporting.



Whistleblowing and investigation procedures of the Group

During the reporting period, the Group did not have any lawsuits involving corruption, bribery, extortion, fraud and money laundering.

5.3 Intellectual property protection

Intellectual property rights are fundamental to our business operations. As of the end of the reporting period, the Group has registered 1,041 trademarks, 46 domain names, 5 patents and 218 software titles, and obtained the Science and Technology Innovation Finance Award issued by the Management Committee of Hefei High-tech Zone.

We devote significant time and resources in the development and protection of intellectual property rights, strictly comply with the "Patent Law of the People's Republic of China" and "Trademark Law of the People's Republic of China", pursuant to which we have formulated systems such as "Brand Asset Management System" and "Intangible Asset Management Measures", in order to standardize the Group's brand promotion management, brand visual system management, trademark management, and to protect the security of patents, non-patented technologies, trademarks and other intangible assets for the maintenance of their value and improvement on efficiency. We also improve and update our intellectual property management system according to our business development on a regular basis.

Logory has set up a brand department under which a brand management position and a media public relations group are established to carry out trademark registration, use, protection management and media reception, so as to promote scientific and standardized brand management and maintain the brand image of the Group. Meanwhile, the Group's archives management department is responsible for keeping various intangible asset ownership certificates, legal documents, and source program design. The legal department is responsible for the protection of intangible asset rights. Each department has a clear division of duties according to their responsibilities, separates, controls, and jointly maintains and supervises the safety of the Group's intangible assets, and strives to build the core competitiveness for the Company.

6. BUILDING BALANCED AND MUTUALLY BENEFICIAL ECOLOGICAL RELATIONSHIPS

6.1 Summary of the road freight industry ecosystem

Under the traditional truck-based freight transportation model, shippers (including logistics companies and cargo owners) have very limited direct access to truckers, and therefore it is hard for shippers to find readily-available truckers to fulfill their road freight transportation demand. Consequently, shippers have to resort to freight brokers, including external freight transportation managers, fleet captains and other middlemen with access to truckers, to address their needs for road freight transportation. During the process, the freight brokers will look for truckers, negotiate with the truckers on the road freight transportation terms and conditions, and facilitate the transactions between shippers and truckers. In the past, such process was usually completed offline, and the information asymmetry between shippers and truckers may lead to unbalanced relationships between them and the freight brokers, resulting in higher road freight transportation costs and lower efficiency for shippers.

In order to solve a series of problems in the industry, Logory relies on the digital freight online platform to involve all industries in the road freight industry ecosystem, such as truckers, shippers, freight brokers, truck dealers, and truck aftermarket service providers, to establish a connection among them. We have cultivated an ecosystem that values the interests of all participants. We encourage and promote a solid cooperative relationship of mutual trust and benefits among all ecosystem participants through enhanced digitalization and transparency throughout the process. We enhanced the division of responsibilities among ecosystem participants and improve their synergies. In addition, we encourage freight brokers to play a better coordinating role to facilitate transactions and obtain reasonable returns. We believe that our ecosystem contributes to the standardization and sustainable development of China's road freight transportation industry.

During the reporting period, the Group's Online GTV reached RMB36.6 billion. The number of shippers who completed orders on our digital freight platform reached 6,236, and the total number of truck drivers who completed orders on our platform exceeded 1.36 million. The number of active truckers[1] on the platform reached 406,000.

Road freight ecosystem

[1] Active truckers are those truckers who completed at least four orders on our digital freight platform in a given year.

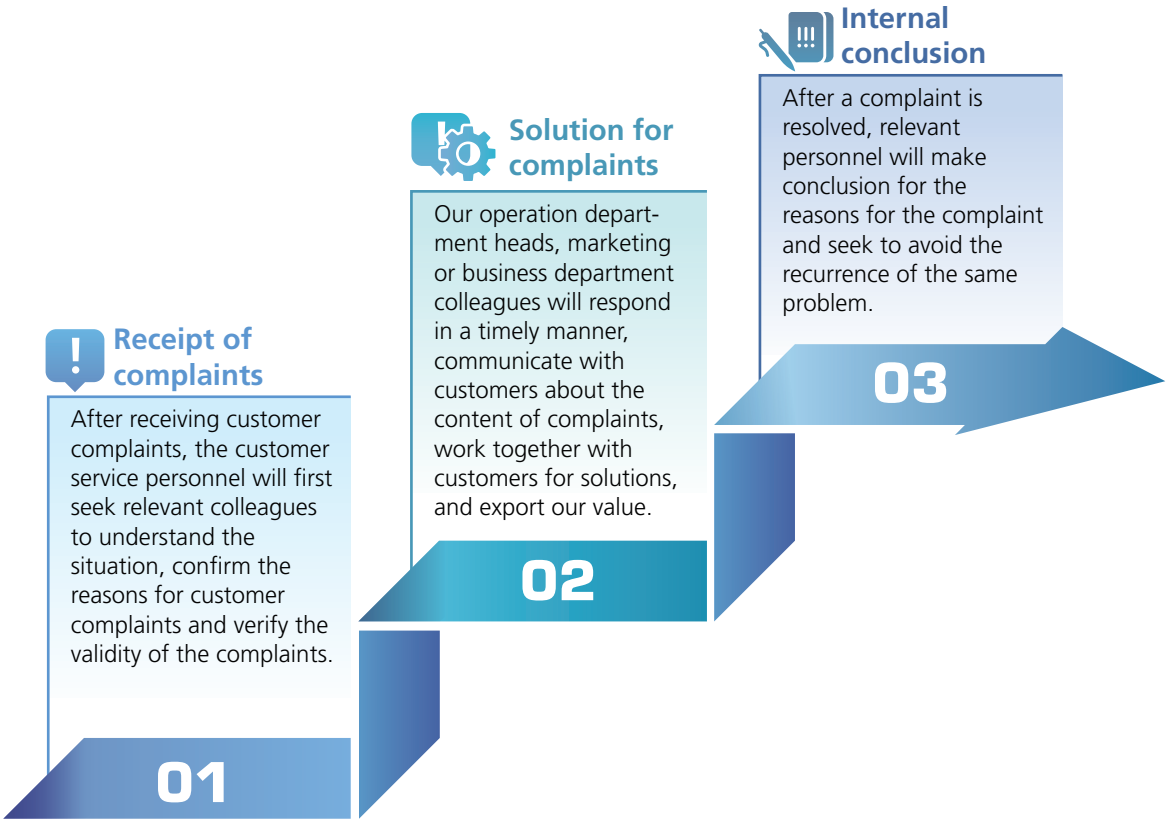
6.2 Focus on service quality

Logory believes that customer satisfaction is the foundation for the rapid growth of the Group's business. We continue to optimize the design of our software products and service functions based on the demands from platform users and rely on advanced digital technology, excellent professional service teams and diversified customer contact channels to provide users with considerate and high-quality services in a timely manner.

In order to effectively improve customer experience, the Group has formulated the "Customer Management of Digital Logistics Department" manual. In terms of management mechanism, we provide after-sales service to customers by employing customer service experts to handle various user inquiries and complaints about our services and establishing online and offline measures to effectively improve customer satisfaction, and systematically standardize our customer service management.

We continue to improve and enhance communication channels with customers, patiently and carefully considering their suggestions. We have established a customer service hotline. With the help of the machine learning algorithm of the third-party service provider, we can provide real-time replies to customers in a precise and efficient manner and handle customer complaints in a timely manner. At the same time, we keep in touch with a number of customers through social networks which have allowed us to understand customer needs and solve their concerns in real time. In order to strengthen close contact with important customers, we also arrange customer visits on a regular basis.

During the reporting period, we did not receive any customer complaints that would have a material adverse effect on our operations or financial results.



In terms of product services and advertising marketing, the Group strictly complies with the "Advertising Law of the People's Republic of China" and the requirements of regulatory authorities, and constantly improves the Group's brand marketing and publicity management mechanism to ensure the ability of customers to understand the business and service characteristics of the Group and protect the legitimate rights of customers.

6.3 Supply chain management

A sustainable supply chain system is the key factor for the Group to achieve long-term development. Logory adheres to the principles of openness, fairness and impartiality, and establishes "Supplier Management Measures", "Procurement Management Process", "Supplier Evaluation Form" and other internal regulations. We implement strict management and control mechanisms from the whole process of supplier development, access and review, selection and use, evaluation, etc., to further standardize supplier management. In addition, we always adhere to the core values of truth-seeking, fairness and altruism, and build a bright and transparent business environment with our partners in the industry chain.

01 Supplier Access

- The procurement department classifies suppliers based on the collection of supplier's information and arranges relevant personnel to conduct preliminary evaluation on the basic situation and production level of the enterprise. With respect to the suppliers who pass the preliminary evaluation, the procurement department establishes an on-site verification team to conduct on-site inspection and verification on the supplier's on-site management level and production conditions to minimize the risk to the Group's operations.
- With respect to the suppliers who pass the preliminary investigation, we will enter into a "Supplier Quality Assurance Agreement" with such supplier, and put forward the demand for sample delivery or purchase in small batches to ensure product quality. The procurement department prepares the "Supplier Inspection Form" to conclude the supplier verification and determine qualified suppliers, who will be added to the list of qualified suppliers after passing the review.
- The criteria for us to determine qualified suppliers are as follows: 1) suppliers are required to have legal business qualifications and certain financial strength; 2) suppliers who have established a product quality system according to the national (international) system and have passed the certification will be prioritized; 3) production capacity are sufficient to meet the needs of the Company to further expand the business scale, and can handle urgent orders; 4) specific after-sales service measures are in place; 5) the samples have passed the test.

02 Supplier management

- Logory enters into the "Integrity Cooperation Agreement" with officially appointed suppliers, which clearly stipulates the content of procurement ethics.
- Logory conducts evaluation on suppliers on a regular basis and fully consider the supplier's product or service quality, delivery, service and other factors, to ensure an objective and true reflection of the comprehensive performance of cooperative suppliers.
- The Group evaluates the production and quality systems of the suppliers who provide key materials on a monthly basis. We evaluate the suppliers who provide conventional materials quarterly. The procurement department allocates the purchasing ratio for the next period based on the evaluation results and report to the person in charge of the procurement department and group management for approval. We will cancel the supply qualifications of the suppliers who are unqualified and remove them from the list of qualified suppliers.
- The Group strengthens cooperation and contact with quality suppliers through regular invitations or on-site visits.

Supply chain management system of the Group

In addition, Logory attaches great importance to the environmental and social performance of suppliers. When selecting suppliers, we require them to provide and update environmental protection certification and relevant approval documents on a regular basis, meet national environmental protection standards in production, meet energy conservation and emission reduction requirements, and possess production equipment with environmental protection-related qualification certification. A supplier that upholds environmental protection in its operation process and considers the concept of protecting natural resources, controlling and reducing pollution sources, and promoting resource recycling will be prioritized. We also conduct site visit to investigate the green operation of suppliers and observe whether they have adopted energy conservation and alternative measures to reduce the consumption of energy, water and other natural resources for the reduction of greenhouse gas emissions.

Truckers are the main supplier of Logory. We rely on truckers to complete the customer's freight business order on the digital freight platform without constituting an employment relationship. The Group's commitment to high-quality and safe transportation rests largely on these external trukcers, and the quality of our service is closely related to their performance.

Therefore, we conduct detailed background checks on the truckers who have registered on our platform and implement strict trucker management. Truckers of the Group are required to undergo real-name authentication during registration and upload photos of their ID card, driver's license driving license, truck driver practitioner's license and business license for verification on the platform, as well as OCR real-person authentication. In order to ensure the quality of transportation services and avoid disputes, truckers on the platform are required to sign an electronic agreement when receiving each new order. During the actual operation, the platform will also continue to monitor the status of truckers.

During the reporting period, the Group did not find any major actual and potential negative impacts or violations by suppliers on business ethics, environmental protection, labor standards, etc., nor did it encounter any supply chain issues that would have significant negative impacts on the environment and society.

6.4 Privacy and information security

During the Reporting Period, we strictly complied with the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and the Several Provisions on the Management of Automobile Data Security. We have also formulated the "Data Security Management Regulations", which set out specific regulations on the management of user data, business data and company data such as data security classification, sensitive data handling, management of customer level permissions, data application and flow, etc. We have also formulated penalty rules to further strengthen the management of our staff and prevent the occurrence of data leakage.

In the daily operation of the Group, we have entered into data security agreements with our truck drivers and conduct annual internal control audits to strictly control information security and monitor the implementation of the Company's policies, so as to ensure the security of information of our customers and truck drivers to the greatest extent possible and continuously refine the Group's relevant management mechanism on network security, information confidentiality, privacy and data protection.

During the Reporting Period, there were no significant leakage of data or personal information or violations of data protection and privacy laws and regulations that would have had a material adverse impact on the operation of our business.

7. DIGITAL FREIGHT AND LOW-CARBON TRANSFORMATION

7.1 Introduction to the business model of digital freight

The Group was the pioneer in China in exploring the digitalization of logistics. We operate one of the largest digital freight platforms in China and we are also the first in China to provide online payment and settlement solutions on the digital freight platform, creating a comprehensive digital ecosystem for road freight.

In order to satisfy the specific needs of our shipper customers, we provide a targeted online, digital solution covering the entire transport chain, including the deployment of road transport resources, shipment order management, transport process monitoring, road freight payment and settlement, and invoicing.

7.2 Low-carbon operation

7.2.1 Paperless platform operation

We plan to reduce carbon emissions by improving the energy efficiency of our operations.

In order to achieve this objective, we are committed to the Green Office concept (please refer to section 7.3 Green Office) and the implementation of paperless operations on the digital freight platform. We strive to enhance the use of our road freight management app, Haoyunbao, by encouraging truck drivers to take orders online, sign electronic agreements, upload invoices and settle freight charges through this software. On the one hand, the use of Haoyunbao helps truck drivers to efficiently carry out transportation through their mobile phones, and on the other hand, it facilitates paperless operation online instead of signing paper agreements and sending back paper shipping documents after transportation is completed, reducing the usage of paper and avoiding the risk of financial loss due to the loss of paper materials for truck drivers.

During the reporting period, more than 90% of the transportation orders of GTV on our online platform was completed through Haoyunbao.

Haoyunbao APP interface display

Transaction Interface

Personal Center of truck drivers

7.2.2 Promote the use of new energy trucks

We plan to encourage the use of new energy trucks to fulfill platform shipping orders. By 2027, we plan to have 10% of our shipping orders fulfilled by new energy trucks.

In order to achieve this objective, we served many customers who used new energy trucks instead of traditional diesel vehicles during the Reporting Period, and these customers reduced their carbon emissions by nearly 4.29 million kg[2] using new energy trucks. In 2022, we strengthened our cooperation with customers using new energy trucks, and the number of shipment orders completed by new energy trucks on our platform increased from more than 20,000 in 2019 to more than 120,000 in 2022, and the number of kilometers travelled by these vehicles increased from approximately 6 million in 2019 to approximately 15.8 million in 2022.

In addition, in accordance with the government's incentive policy on new energy trucks, we are working with several business partners to promote the purchase of new energy trucks by the truck drivers we serve. We are also planning to build battery charging and changing facilities around the areas where we operate our digital freight business to support the use of new energy trucks.

7.2.3 Reducing emissions from trucks

We plan to reduce the emissions of our trucks on the platform and improve the quality of their air emissions.

During the Reporting Period, we required truck drivers to use trucks that complied with the relevant legal and regulatory emission standards to complete shipment orders on our digital freight platform, and we did not allow truck drivers to use trucks that did not comply with the relevant standards to complete shipment orders on our platform.

We plan to further encourage the use of new energy trucks to fulfill shipment orders on our platform in order to reduce emissions from trucks. For example, when selecting truck drivers to complete shipment orders, we may prioritise truck drivers with new energy trucks, and when multiple shipping customers with similar transport needs are competing for capacity, we will give priority to shippers who are willing to hire truck drivers with new energy trucks.

In addition, we plan to reduce emissions from our trucks by selling more emissions treatment products through Truck Plus solutions. The use of exhaust gas treatment products will not only reduce the negative environmental impact of emissions, but also extend the life of the trucks. During the Reporting Period, we sold approximately 2,345 tonnes of exhaust treatment products to truck drivers through Truck Plus solutions.

[2] In accordance with the principle of consistency in reporting, the calculation herein is consistent with the calculation of data disclosed in the Group's prospectus, i.e. assuming that the carbon dioxide emission per kilometer traveled by diesel vehicles of 3.5 tonnes or above is approximately 271.6 grams; after switching to the use of new energy trucks for transportation, the carbon emission will be zero.

7.3 Green office

The Group has always adhered to the concept of green office in the course of its operation and management, and actively controls the achievement of energy saving and emission reduction targets from their sources. The Group's main energy consumption in its operations includes electricity, petrol consumed by its own vehicles, etc. The direct carbon dioxide equivalent emissions from its operations in 2022 will be approximately 88.3 kg.

The Group's utilization of resources includes water resources, the source of which is municipal water, and the Company has no difficulties in obtaining water; emissions are mainly greenhouse gases and non-hazardous waste such as office waste and kitchen waste. In respect of the disposal of hazardous waste generated in the course of operations (mainly batteries generated in office activities), the Group has entered into agreements with qualified processors to ensure that green disposal is carried out in strict accordance with the regulations to minimize the impact on the environment. As for non-hazardous waste such as office paper and kitchen waste, the Group has set up different types of rubbish bins for separate disposal and handed them over to professional disposal units for recycling to avoid polluting the environment.

Throughout its operation and management process, the Group has always adhered to the concept of green office and actively controlled the realization of energy saving and emission reduction targets at source. In the context of the national strategy of "carbon peaking and carbon neutrality", the Group strictly complies with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other relevant laws and regulations on environmental protection and energy conservation. The Group has formulated internal policies such as the "Social Responsibility Monitoring System", the "Code of Conduct for Employees on the Conservation of Public Resources" and the "Code of Conduct for Employees on Acting within their Capacities", and adopted a series of reduction measures in the areas of energy and water conservation and emission management to reduce energy and resource consumption and regulate emissions. During the Reporting Period, there were no confirmed non-compliance incidents related to environmental protection that had a significant impact on the Group.

We plan to achieve a completely paperless operation by the end of 2027, so that we can operate a green office, and our daily operations and management will be done through our online system unless the relevant regulations require the usage of paper files (e.g. accounting certificates, major contracts, etc.). We have launched an online document management system, an online approval system and an online financial reimbursement system to minimize the use of paper in office. Our daily meetings and training have been shifted to online mode as far as possible to avoid unnecessary carbon footprint. We have also communicated with our customers to promote the use of electronic invoices.

The Group has set out its ESG targets in the four areas of greenhouse gas emissions, energy consumption management, water resources management and waste management, taking 2022 as the benchmark year for its operations, and will continue to track the achievement of these targets.

Logory ESG objectives	
Greenhouse gas emission	To contain the 2025 greenhouse gas emission intensity to no more than the 2022 performance level of 18.61 tonnes per $100 million of revenue.
Energy consumption management	To contain 2025 electricity consumption intensity to no more than the 2022 performance level, i.e. 24.11 MWh per $100 million of revenue.
Water resource management	To contain office water consumption intensity in 2025 to no more than the 2022 performance level, i.e. 214.42 tonnes per $100 million of revenue.
Waste management	We plan to reduce as much as possible the amount of hazardous waste emissions generated by the office; At the same time, we plan to have a paperless company by the end of 2027 (except in cases where paper files are required as a rule), keeping the amount of non-hazardous waste generated to a low level.

01 Management

Energy management: Each department and subsidiary is responsible for collecting monthly statistics on the Group's use of both water and electricity; the Finance Department is responsible for collecting statistics on the consumption of office supplies, compiling statistical data and analyzing the achievement of the annual environmental targets of all relevant departments, producing a final report at the end of each year, which is then reviewed by the Safety Committee Office and submitted to the general manager for review.

Energy saving management: The Safety Committee Office is responsible for the overall deployment of energy saving and consumption reduction for the whole Company, energy saving renovation of key equipment, and monthly on-site inspections and spot checks by members of the Safety Committee Office. Each department is responsible for specific work on energy saving and consumption reduction, electricity and water saving, as well as promoting energy saving and consumption reduction, raising employees' awareness of energy saving and checking the implementation of energy saving and consumption reduction on a daily basis.

02 Technology

Water saving renovations: Water saving products are used in the sanitary appliances of the building. We have posted water saving notices in each bathroom and installed sensory flushing devices.

Energy saving renovations: We regularly evaluate the energy consumption level of the park and initiate energy saving renovations for buildings with room for improvement. To date, we have carried out specific renovations to lighting and parking facilities. 1) We have installed fixed time switches for street lights in the park to optimize the lighting hours of the roads according to the daily operating hours, so as to reduce the electricity consumption of the park. 2) We have installed charging piles for new energy trucks in the car park to encourage employees to travel green. 3) When it comes to replacing energy-consuming electrical appliances such as air conditioners and lighting fixtures in the Company, the Group gives priority to energy-saving models.

03 Measures

Water and electricity saving: We strive to use electricity rationally and conserve energy in the office. We encourage employees to keep the air-conditioning at a constant temperature of 26°C in summer, and encourage them to turn off the power when they are not using the office computers or projectors. We also encourage employees to reduce the number of lighting sources when there is sufficient light, and to reduce unnecessary electricity consumption by turning off the lights when they are away from the office.

Reducing greenhouse gas emissions: We encourage our employees to travel to and from work by public transport and offer them the benefit of a shuttle bus to the park.

Waste management: The Group has filmed a video about energy saving initiatives internally to strengthen the awareness of staff to eliminate waste and to guide them to reduce waste of office paper and avoid the waste of food in the course of meals, so as to promote the reduction of waste at source. Meanwhile, the Company has implemented waste sorting and handed over different types of waste to professional recycling units for disposal to avoid secondary pollution.

Energy conservation measures of the Group

7.4 Response to climate change

7.4.1 Climate change management systems

In order to enhance the Group's capability to cope with climate change, Logory has carried out climate change risk identification in accordance with the recommendations of the TCFD (Task Force on Climate Related Financial Disclosure) and supported the national "carbon neutrality, carbon peak attainment" strategy with a comprehensive climate risk prevention strategy to contribute to global climate action.

Climate change management systems of the Company

Aspect	Specific Actions
Governance	The Board of Directors and the Safety Committee are involved in making decisions on the identification of climate-related risks and opportunities, establishing relevant management indicators and mechanisms, and overseeing and guiding the implementation of work
Strategy	Fully aware of the significant impact of climate change on the Group's operations, comprehensively assess the risks of climate change and the potential financial impact based on it, and facilitate the Group's development into a new energy industry through green operations to reduce climate risks and seize opportunities
Risk Management	Firstly, by referring to the sources of climate related information disclosure and combining the possibility of occurrence and the scope of impact of the risk, a preliminary identification of climate related risks that have a material impact on the business is conducted; Based on the Board's and the Safety Committee's evaluation of the relevant risks and opportunities, and in conjunction with the Group's development strategy and resources, establish an overall logistics emission reduction development strategy that continues to leverage our technological capabilities, digital capabilities and industry influence; The Group will also incorporate the concept of energy saving and carbon reduction into its daily operations. The Group will continue to issue the "Strictly conservative, energy saving and environmental protection" initiative to all staff, advocating "making the best use of and being grateful to water resources", encouraging staff to become advocates of energy saving and environmental protection, and helping to achieve the "Carbon Peak and Carbon Neutrality" as scheduled; Lastly, through literature research, and taking into account the key expectations of the government, regulatory authorities, investors, stock exchanges and others on the Group's actions to tackle climate change, as well as the actual or foreseeable climate risks in the business scenario, we will further filter and focus on risk management
Indicators and objectives	In the future, the Group plans to incorporate climate change risk management components into the existing risk management process; the Company will disclose in its annual ESG report the total greenhouse gas emissions and the intensity of greenhouse gas emissions for the Company's head office and subsidiaries, so as to comprehensively evaluate the climate-related risks and opportunities encountered by the Company's operations

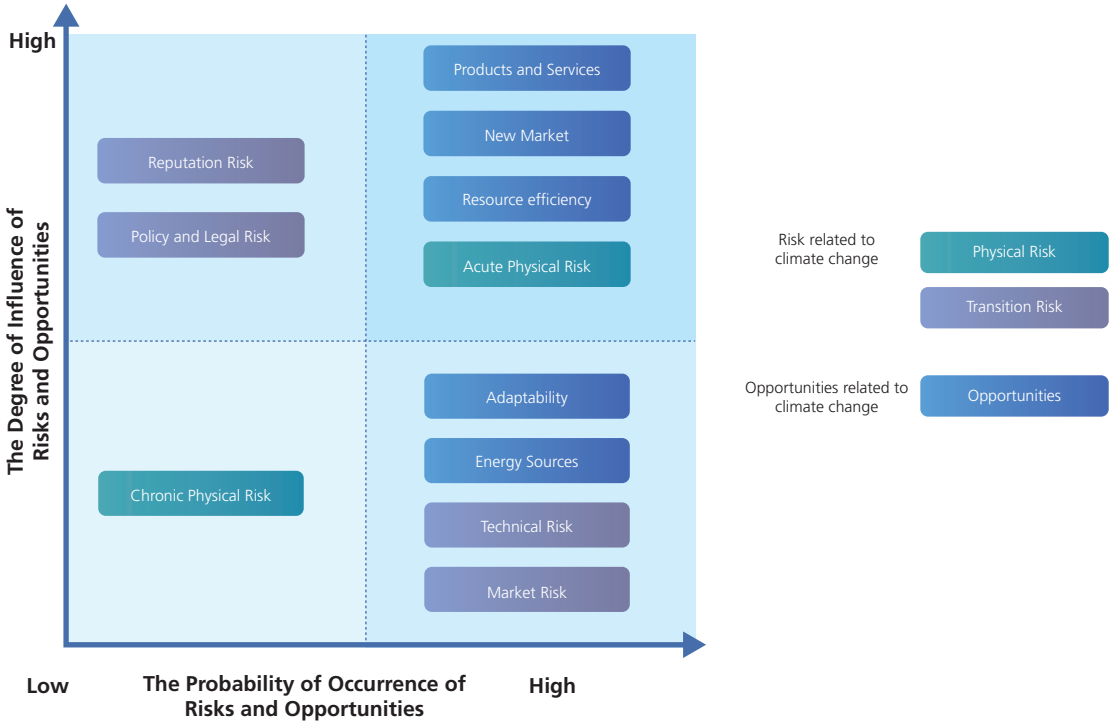
7.4.2 Risks and opportunities related to climate change, and measures to cope with them

The Group is fully aware of the substantial financial impact that climate change may impose on the Group. In order to better respond to potential risks and opportunities, the Group carries out identification, assessment and analysis of climate change risks and opportunities, and identifies climate change and risk opportunities related to its own business and operations in order to better control the risks and seize the opportunities.

Types of risks/ opportunities related to climate change		Description of risks/opportunities	Potential financial impact	Measures to be adopted
Risks related to climate change	Policy and Legal Risks	The vehicles of platform drivers may not comply with the emission standards and requirements for vehicles, or the drivers may misrepresent or conceal the weight, specifications and nature of the cargos, which may increase carbon emissions during transportation and violate the laws and regulations related to environmental protection, the Group may need to invest more efforts to regulate the drivers' behaviors	Management costs ↑	1. to specify in the cooperation agreements with shipping customers and truck drivers the requirements for compliance with environmental laws and regulations, and to strengthen the verification of drivers' licenses, qualifications and vehicles 2. to strengthen communication with stakeholders on ESG issues through investor communication channels and regular disclosure of ESG reports 3. to continuously monitor extreme weather events and provide timely feedback to relevant departments and platform users within the Group, so that emergency responses to extreme weather events can be formulated in advance to minimize losses 4. to further clarify the procurement standards of various energy-consuming equipment and purchase as much energy-saving equipment as possible to avoid the technical problems resulting in equipment replacements 5. to pay more attention to customers who use green transportation methods when reaching out to new customers, encourage existing customers to use new energy trucks for transportation, and increase the proportion of orders for clean energy vehicles as a means of transportation on the platform
	Market Risk	With the increased market preference for greener transportation methods, there may be an impact on the transportation business of the Group's existing customers, resulting in a decrease in their business volume, which in turn will lead to a decrease in the number of orders we receive, thereby affecting the Group's operating income	Operating income ↓	
	Technical Risk	With the development and application of energy saving equipment and energy efficient technologies, the Group's existing traditional energy equipment and high energy consumption equipment will need to be further replaced with energy efficient equipment, resulting in increased operating costs	Operating costs ↑	
	Reputation Risk	In the context of our target for "Carbon Peak and Carbon Neutrality", stakeholders expect us to take a more proactive approach to addressing climate change, which may have a reputational impact if the Group fails to satisfy stakeholders' demands	Operating costs ↑ Operating income ↓	
	Acute Physical Risk	In the event of frequent storms, floods, fires or high temperature related events, the Group may be affected by the extreme weather conditions and may have difficulty in operating and expanding its business; it may also affect the commencement of the transportation business of the shipping customers and truck drivers	Operating income ↓	
	Chronic Physical Risks	Long-term climate change, such as changes in temperature, rising sea levels, declining water sources and changes in land productivity, will lead to a reduction in the Company's orders for transportation in agriculture, livestock, fisheries and related industries; it will also result in an increase in the Company's procurement costs for related resources	Operating income ↓ Operating costs ↑	

Types of risks/ opportunities related to climate change		Description of risks/opportunities	Potential financial impact	Measures to be adopted
Opportunities related to climate change	Products and Services	The market preference for new energy trucks and the vehicle purchase policy will increase drivers' willingness to replace new energy trucks, which will bring new revenue growth to the Company's truck sales and after-sales service revenue.	Operating income ↑	1. the Group is actively refining its transport solutions for the green materials segment 2. increase the sales of vehicles and after-market services related to new energy trucks in the truck sales and after-market business segments, and increase the sales of gas treatment products to reduce exhaust pollution from trucks 3. the Group is planning to increase the charging/switching infrastructure serving new energy trucks in the digital freight business area to support the use of new energy trucks 4. to implement the green office model and achieve electronic and online access to office systems 5. increase cooperation with environmentally friendly suppliers to enhance our adaptability to climate change
	New Market	Under the background of carbon peak and carbon neutrality and favorable policy environment, the demand for green materials will increase and the Group will be able to obtain more orders for transportation business in this segment; it is also beneficial to the implementation of new service projects in the Group's digital freight business in relation to the charging and power exchange of new energy trucks	Operating income ↑	
	Resource Efficiency	Improve efficiency in the utilization of resources, including energy, electricity and water resources, which will contribute to the reduction of the Group's operating costs	Operating costs ↓	
	Energy Sources	With the innovation, application and popularity of green technologies, the cost of low carbon and renewable energy continues to decrease and the increased use of low carbon and renewable energy in operating activities will contribute to the reduction of the Company's operating costs	Operating costs ↓	
	Adaptability	The Group encourages shipping customers to use new energy trucks for transportation and suggests that truck drivers prioritize the purchase of new energy trucks when they are replacing their trucks; and the selection of environmentally friendly suppliers and industry partners enhances our adaptability to climate change	Operating income ↑ Operating costs ↓	

7.4.3 Matrix of risks and opportunities related to climate change



8. PEOPLE-ORIENTED, VALUE DELIVERY

8.1 Caring for truck drivers

8.1.1 Overview of Trucker Community

Logory Logistics has always placed a high priority on truck drivers and has always includes them in our road freight ecological co-construction plan. Based on this, we established the largest online + offline truck driver community in China: Trucker Community. The social network function of the Trucker Community allows truck drivers to find helpful content that is relevant to their actual work and life, share industry trends, business opportunities, professional knowledge and family life in the social network, and establish connections with other truck drivers. We have also established an offline branch of the Trucker Community to promote interaction among truck drivers by organizing events and festival celebrations.

During the reporting period, the number of new registered users of the Trucker Community exceeded 450,000. Our offline mutual aid community in the Trucker Community has achieved nationwide network coverage, covering 32 provinces and 298 cities in China. Users can access Trucker Community through diversified channels such as online APP, social media platform, lucky treasure portal website and Trucker Community offline branches. Since the establishment of the Trucker Community in 2014, the Group has invested more than RMB220 million in the project, and the investment has shown an increasing trend year by year, with the total investment in this project exceeded RMB54 million during the reporting period. Trucker Community is committed to providing truck drivers with better business opportunities, community socialization and improving their work capabilities, and has gained a high reputation.

— *Case Study of activities in the Trucker Community: Cargo Road•Women of Merit Welfare Project*

In 2022, Trucker Community supported the public welfare project of "Cargo Road•Women of Merit", which provides female truck drivers with five major empowerment contents including health, safety protection, parent-child relationship, vocational skills and personal development, so as to alleviate the obstacles they face in their life and career development. At the same time, Trucker Community joins hands with public welfare and industry partners to distribute public welfare material packages to "Women Truckers" and provide women's care check-ups.

Pictures of Cargo Road•Women of Merit Welfare Project

8.1.2 Mutual aid area in Trucker Community

Trucker Community has opened a mutual assistance zone to solve various online inquiries of truck drivers, and to promote on-site rescue to truck drivers in emergency situations such as traffic accidents or extreme weather conditions.

— *Cases of mutual aid: Mutual guarantee projects, live up to every goodwill*

The mutual aid area of Trucker Community receives a large number of requests for help every day, many of which require on-site participation in emergency assistance. Due to the complexity and uncertainty of the rescue situation, it is difficult to avoid accidents during the process. In order to let the truckers who transmit positive energy feel at ease and help each other, Trucker Community launched the "mutual aid guarantee project" after various studies and considerations. If a trucker has an accident during the offline mutual aid and rescue process, he/she is entitled to a maximum of RMB200,000 for accidental disability, RMB100,000 for accidental medical treatment, and RMB100/day*90 days for hospitalization allowance. In 2022, our mutual assistance and rescue protection project has protected 6,106 truckers who participated in offline rescue.

Publicity picture of Mutual aid and rescue guarantee project

In addition to offline mutual assistance, Trucker Community, in collaboration with partners, has developed a security partner service to provide truck drivers with safety reminder services during periods of high accidents. Through monthly driving safety themed challenges and weekly risk scene popularization, Trucker Community has continuously conveyed safety knowledge to users and enhanced drivers' ability to identify and ability to manage risky situations, creating a safer working environment for truckers and reducing the number of accidents. During the reporting period, security partner service by Trucker Community has covered a total of 180,000 users.

Security partner publicity pictures and video screenshots

8.1.3 Trucker Community insurance services

In addition, we cooperate with industry-leading insurance companies to provide truck drivers in Trucker Community with easy access to insurance services provided by our business partner at an affordable price.

— *Insurance service case 1: Mutual insurance, contributing to good deeds*

For a long time, truck drivers have few insurance options to choose from due to high operational risks. In order to help truck drivers protect themselves and their families against accidents, Trucker Community initiated the establishment of a truck driver mutual insurance project, aiming to provide protection and care for the families of drivers who died in accidents. The monthly payment of RMB29 for participating truckers will result in a one-time compensation of RMB300,000 for the family in the event of an unfortunate accidental death.

Mutual insurance is a completely public welfare project, not for profit, no commission, no handling fee, and part of the annual balance will be returned to the truckers participating in the mutual aid for disaster prevention and damage prevention. During the reporting period, Mutual Insurance helped 9 families of truckers get out of difficulties with a total amount of RMB2.7 million.

— *Insurance service case 2: Truckers' Insurance, inclusive medical insurance*

Together with Public Mutual and Huatai Insurance, we jointly launched the inclusive medical insurance plan "Truckers' Insurance" for truck drivers, which aims to provide truck drivers and their families with reimbursement protection for hospitalization medical expenses and avoid returning to poverty due to illness. According to different needs, the "Truckers' Insurance 2022" project launched accident insurance, serious illness insurance, and critical illness insurance for truckers, which effectively relieved the burden of seeing medical treatment for truck drivers and their families. During the reporting period, Truckers' Insurance paid 63 cases of accidental claims with a payout of over RMB400,000 and 7 cases of disease claims with a payout of over RMB100,000.

Truckers' Insurance 2022 Release Photo

— *Insurance service case 3: COVID-19 quarantine insurance, overcoming difficulties together*

In the spring of 2022, the COVID-19 epidemic occurred frequently in many places across the country, and a large number of truck drivers were responsible for the transportation of production and living materials. However, truck drivers faced a higher risk of exposure to the epidemic when driving outside. Once they are quarantined and detained, their living conditions will be greatly affected. Therefore, in March 2022, Trucker Community launched the "Truckers Epidemic quarantine Guarantee", which provides free quarantine subsidy insurance for truckers and subsidizes part of the economic losses caused by the quarantine. During the implementation period, Trucker Community issued more than 8,000 quarantine insurance, with a total subsidy of over RMB90,000.

Pictures and collection interface of truckers quarantine insurance

8.1.4 Legal aid project of Trucker Community

In the course of daily work, truck drivers often encounter legal issues such as freight disputes and traffic accident disputes. They are often at a disadvantage when encountering legal problems. Due to unfinished freight tasks, most truck drivers can only choose to accept unfair treatment; due to weak legal awareness, they do not know how to safeguard their legal rights and appeals.

The legal aid service of Trucker Guarantee Center provides legal consultation to truckers whose legitimate interests have been damaged, allowing them to rationally use legal weapons to protect their legitimate rights and promote problem solving. In the course of daily operation, legal aid project of Trucker Community will also regularly publish legal science posts and assistance case science popularization videos to help truck drivers know, study and understand the law, and also educate them to abide by the law.

During the reporting period, legal aid project of Trucker Community received a total of 1,472 legal inquiries and actively assisted in follow-up processing. By the end of 2022, a total of 1,289 legal consulting projects have been completed, and the remaining 183 are still in progress.

Legal science, legal aid weekly pictures

8.1.5 Truckers' Union

Guided by the All-China Federation of Trade Unions' pilot unionization program for self-employed workers in several occupations, we facilitated the establishment of China's first truckers' union. As of December 31, 2022, a total of nearly 310,000 truck drivers have joined the truckers' union through Trucker Community.

Truck driver membership

The Trade Union has established a "Driver's Home" with complete functions such as rest, entertainment, fitness, psychological counseling, and legal assistance for truck drivers, and explored various ways of services to defend drivers' rights in labor relations and provide targeted support for their families in difficulties.

— *Trade Union activity case 1: Caring for truckers' wife on March 8th Women's Day*

On the occasion of the 122nd International Women's Day, the Anhui Federation of Trade Unions held a care activity "Walk the Way with Love" for truckers' wife in the Group, presenting 1,000 gifts of the "Mutual Aid Insurance Plan for Women with Special Disease" to truckers' wife on the spot. Representatives of truckers' wife were invited to experience the art of flower arrangement and feel the festive atmosphere.

"Women Truckers" and "Truckers' Wife" receive love gift packages and experience the art of flower arrangement

— *Trade Union activity case 2: "Summer Cooling" by Trucker Union*

In the summer of 2022, many places in China are facing the test of high temperature and heat, but many workers such as truck drivers are still fighting on the front line. The Trucker Union in various places quickly launched the "Summer Cooling" service for truck drivers, and more than 1,000 cooling material packages were distributed to drivers through various channels.

Pictures of cooling gift pack offline distribution and collection online claim

— *Trade union activity case 3: Free medical check-ups for driver's health*

In September 2022, the Hefei Federation of Trade Unions provided free medical check-ups for truck drivers. On the day of the event, a total of 100 truck drivers were provided with a comprehensive medical check-ups of 12 items including electrocardiograms, chest X-ray, blood sugar and blood lipids. To help truck drivers who are busy on weekdays to be aware of their health conditions, aiming to achieve the goal of "early treatment for illness and early prevention and treatment".

Site photos of free medical check-ups

8.1.6 Truck Driver "Cloud Smart Party Building"

In recent years, the Group has adhered to the leadership of party building. Under the guidance of relevant departments in Anhui, Hubei, Sichuan and other places, the Group has used "cloud thinking" to give full play to the role of the platform, actively explored in Trucker Community, and innovated a new path for party building among truck drivers. We have empowered the "red wheels" with digitalization and Internet technology, closely united truck drivers around the party organization, strengthened their red thought leadership, and enhanced cohesion.

— *Cloud Smart Party Building Case 1: Construction of "Cloud Branch"*

Relying on Trucker Community APP, we developed and launched the "Party Building Cloud Platform". Through the construction of the platform cloud organization, we launched "Cloud Registration", "Cloud Classroom", "Cloud Activities", "Cloud Mutual Assistance", and "Cloud Feedback" , "Cloud Style" and other sections, to build an online communication and learning platform for mobile party drivers. We issued a "red solicitation order" on the platform to guide party drivers to reveal their identities and participate in organizational life. As of the end of the reporting period, we had accumulated nearly 12,000 party truck drivers, and established 26 mobile party groups for truck drivers and 52 volunteer service teams for party drivers.

Party Member Gathering

Party Member Driver Volunteer Service Team

Truck Drivers Mobile Party Group

— *Cloud Smart Party Building Case 2: "Party Live Room"*

During the reporting period, we carried out seven themed live broadcast activities, including "Party members travel thousands of miles and organize a line", "Struggle for a century, set sail for a new journey", "Learn, think, practice and forge ahead 'Learn the report of the 20th National Party Congress '", Invite grassroots party organization secretaries, party school professors, legal experts, industry experts, leaders of competent departments, etc. to come to the "live room" to carry out thematic live broadcasts, guide drivers to participate in organizational life in a way close to the production scene, so that party drivers can participate in different events "Cloud Learning".

"Party Live Room" activities

Party History Lecture Live Replay

— *Cloud Smart Party Building Case 3: Learning the Spiritual Organization of the 20th National Congress of the Communist Party of China (CPC)*

Before and after the 20th CPC National Congress, we called on party drivers to watch the opening ceremony, and released posts to solicit thoughts on the 20th National Congress through the Party Construction Cloud Platform, encouraging party drivers to actively discuss the spirit of the 20th CPC National Congress and express their thoughts in the posts. During the gathering period, we received the attention of nearly 4,000 party drivers. In addition, during the 20th CPC National Congress, we organized a quiz contest with prizes for the 20th CPC National Congress on the cloud platform, which attracted the attention of more than 11,000 party drivers on the platform.

Organize drivers to watch the opening ceremony of the 20th CPC National Congress

8.1.7 "May 2 Truckers' Festival"

Since May 2, 2015, we have launched the "May 2 Truckers' Festival" , which was originally created to "define a festival in the name of truck drivers", so that the true nature of truck drivers' laborers will be known to the public, and let current situation of truck drivers' survival attract more attention, and the social value of truck drivers be recognized.

The 8th Truckers' Festival in 2022, with the theme of "Follow the Light, Walk with Card Friends", was held live on the official platform of Douyin, Trucker Community, which attracted over 120,000 participants, and 620,000 likes within 2 hours.

8.2 Devoting to charity

8.2.1 Facilitating society to be better

The Group always adheres to corporate core value of win-win and altruism through both of internal management and external business. It cares about the community and continues to convey more goodwill and helps more individuals in need for the well-being of the public in the community.

— *Social welfare case study 1: Sending coolness to Traffic Police*

In hot summer 2022, the Communist Committee and the union of Logory Logistics commenced an event "Sharing coolness in hot summer to warm your heart" activity. The representatives visited Shushan Brigade, Traffic Police Detachment, Hefei Public Security Bureau to express our gratitude to the frontline policemen and auxiliary policemen working under the sun with coolness.

Sending heatstroke prevention supplies to the traffic police detachment

— *Social welfare case study 2: Caring logistics corporate and fighting against COVID-19 activity*

In 2022, the public and the logistics were adversely affected by the outbreak of COVID-19 in the various regions and thus the logistics companies were subject to serious risk and difficulty. As the important backup of the livelihood commodities supply, while doing the best to conduct anti-epidemic, the logistics companies also devoted to protection of the livelihood to combat the epidemic with the society.

In Chengdu, the Group held the activity of "Building hope together during epidemic" with Sichuan Modern Logistics Development Promotion Association (四川省現代物流發展促進會) by sending anti-epidemic gift bag, to care about peer companies in the logistics industry with heartwarming and love.

Posting anti-epidemic stickers for companies in the Logistics Park

Handwritten thank you card inside gift bag

8.2.2 Periodic success achieved and well received by the society

ESG is a voluntary behaviour of a company based on the compliance of law in the nature, nevertheless, with the development and promotion of the time and society, more leading companies, to respond to the public expectation, proactively committed to incorporate the environmental responsibility, social responsibility, corporate governance into the corporate management.

In December 2022, Logory Logistics was awarded "Annual Outstanding Social Responsibility Award"under "ESG Pioneer 60" held by Jiemian.com of Shanghai United Media Group for appraising its implementation of social responsibility. Obtaining this award, it is proven that the Group's effort in both environmental and social aspects is well-received by the experts of education, logistics and media.

Photo of "ESG Pioneer 60" Award

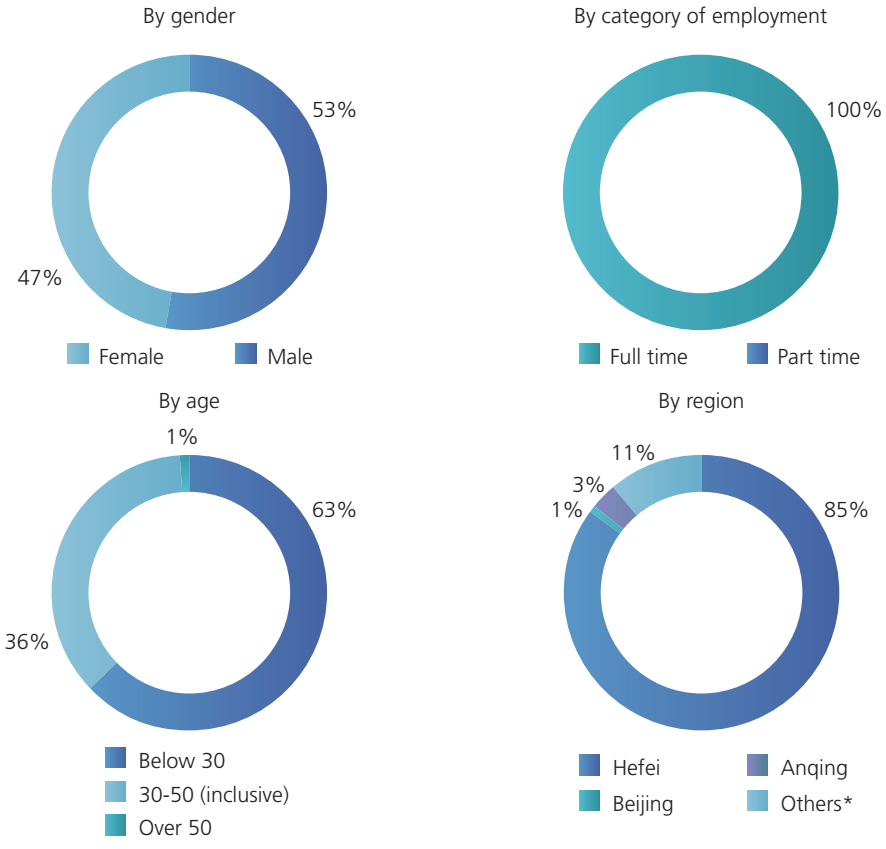
8.3 Our employees

8.3.1 Anti-discrimination and labor standard

Logory Logistics strictly complies with the laws and regulations including Labor Law of the PRC, the Labor Contract Law of the PRC, the Law on the Protection of Minors of the PRC, and pursuant to which, it formulates the internal human resources system such as Employee Handbook, entered into labor contract subject to law, strictly regulate the management of employee recruitment, salary and dismissal. The Group refuses to force employees to work. The requirement of the admission conditions of employees is clarified in the Employee Handbook. The validity of the identity information will be strictly monitored to prevent employment of child labor. Since the establishment of the Company, there was no non-compliance of child and forced labor.

We recruit the talent to form an energetic team through diverse channels including internal referral, headhunt companies and online recruitment websites. We upholds the principles of fair and objective during the recruitment process. We avoid discrimination regarding the factors including gender, ethnicity, religion, nationality, family, disabled, and strive to provide a fair career and occupational development opportunities to employees regardless of their gender, ethnicity and religion. Also, we will consider the professional background of them including gender, culture and experience. At last, we realize the harmony and diversity of the workforce, continuously improve the inclusiveness of the workplace and the sustainability of the corporate development.

As of the end of the Reporting Period, the Group has a total of 1,020 employees, all of them located in China, including 538 male employees and 482 female employees. Details are shown in the chart below:



* Since the Group has only established small-scale subsidiaries/offices in other cities and its staff is relatively scattered, the data is not broken in detail.

8.3.2 Employee rights and benefits

The Group protects and ensures the fair statutory rights of employees according to law. We has stated labor work management system in Employee Handbook including holiday application procedure and annual holiday, compensation and benefits, education and training. To promote labor protection, the Group has established company union to protect and maintain employees' rights.

Logory Logistics strictly complies with laws and regulations in relation to employees' compensation and benefits and builds up competitive compensation strategy based on the nature of classes and positions and considers the current requirement of corporate development and overall market compensation standard, to maximize the value of employees. Performance assessments of the employees are carried out regularly. Evaluation indicators including KPI or OKR are carried out quarterly to response and evaluate their capabilities based on their performance. One to two salary adjustments will be applied to outstanding employees each year.

Other than the statutory benefits including retirement pension scheme, medical insurance, work injury insurance, unemployment insurance and housing provident fund, we provides other supplementary benefits for the employees including transportation subsidies, meal subsidies, marriage gifts, holiday gifts and team building, and also provides supplementary medical insurance for specific posts.

Team building activity

Business development activities

Holiday gifts

Excellent Team Building Fund

We continue to improve our salary and incentive policies according to market conditions and operating conditions to effectively motivate our employees.

8.3.3 Health and safety

Logory strictly complies with the laws and regulations including Work Safety Law of the PRC, Law of the People's Republic of China on Prevention and Control of Occupational Diseases. Also, we provides annual body check for the employees and encourages them to proactively participate in sports.

For more well-being after-work, we have organized festive activities for the employees including "Logory Athletes" sports competition, basketball exchange competition to increase the communication of employees and cultivate their hobbies, strengthen their bodies, and further enhance our team cohesion. Furthermore, we have built stadium and fitness room exclusively for employees and regularly organized various team gymnastics classes.

"Logory Athletes" sports competition

Staff basketball competition

Father's Day "Trendy Father" Tug of War

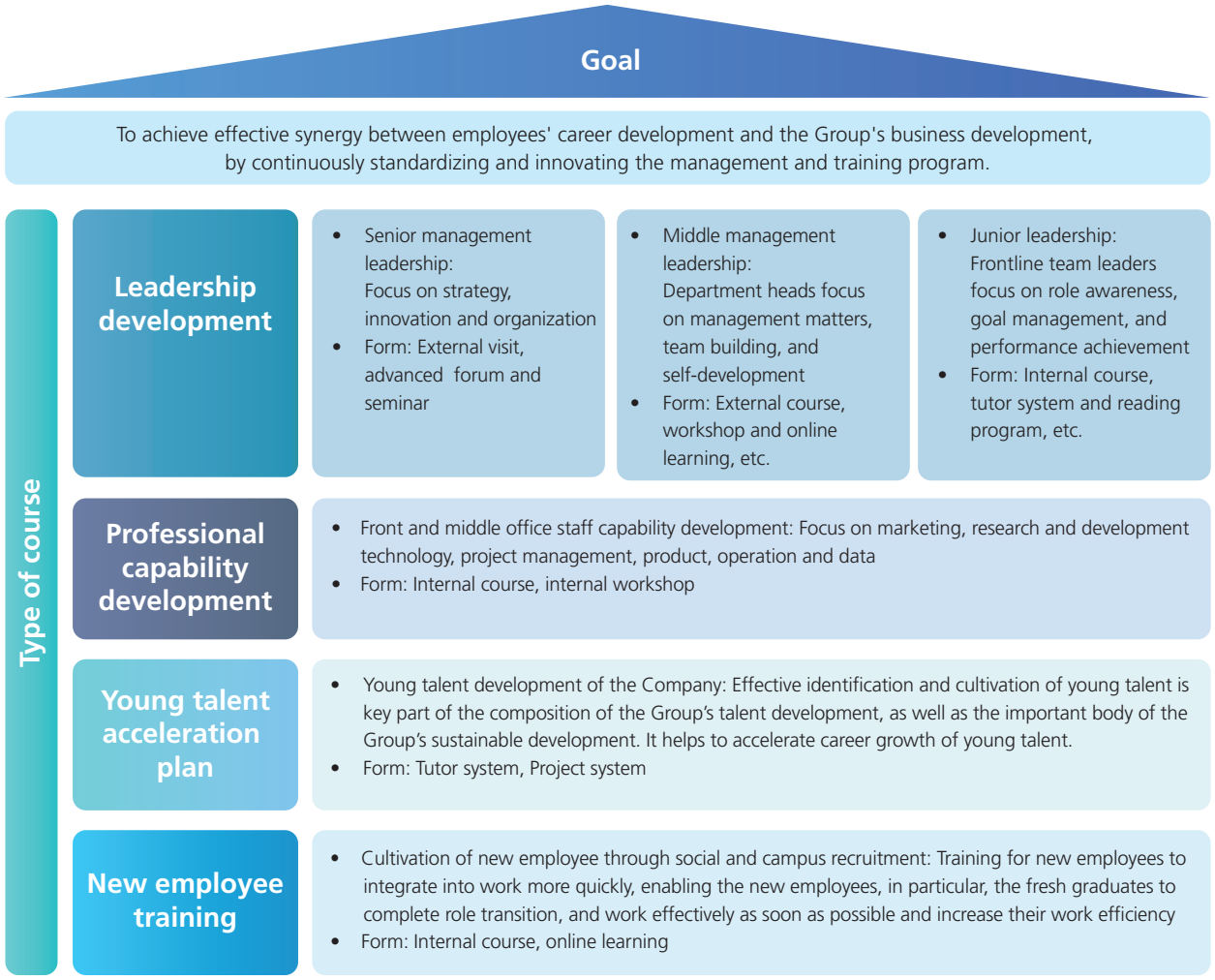
Badminton activity

In addition, the Group has published Regulations Governing the Contingency Plan for Critical Emergency in 2021 to build a strong mechanism for emergency response to emergencies of Logory Logistics for better protection of employees' safety and avoid interruption of the normal operational order. The regulations aim at addressing sudden disaster including production information system failure, power outage, fire, flood, earthquake, infectious disease, and are formulated that are lawful, rapid, scientific, and enable employees to respond in an orderly manner, in order to minimize incidents and the damage they cause.

During the Reporting Period, we has organized two issues, namely fire safety drill and safety training, with a total of 6 related training of emergency response to major emergencies. We continue to improve the plan, emergency preparedness, emergency measures according to the handling of emergency personnel and the applicability of the equipment used in the drill.

8.3.4 Employee training and development

Logory Logistics proactively response to employees' need to improve self-professional quality and professional level. We has formulated principle of Learning and Development to provide all round and formulated training system for different course and grades, including leadership development, professional capability improvement courses, young talent cultivation and new employee training. We have realized effective synergy between employee career development and business development of the Group by continuous standardization and innovation of training management system.



Employee management training system and result assessment

Each department of the Group will conduct one-on-one teaching and guidance for new entrants and formulate periodical target during the daily operation, to help them to integrate and grow and explore their potentials. The departments will also invite management personnel to share their experiences and discuss core issues from time to time. We have formulated two employee career development channels in both aspects of management and professional technologies. We also conducted internal re-designation and changed employees career development orientation according to employees' personal development needs and company's business needs to enable employees grow with us.

During the Reporting Period, the Group was awarded Certificate of Advanced Unit of National Workers' Professional Ethics Construction*（全國職工職業道德建設先進單位證書）issued by The Federation of Trade Unions, the Propaganda Department of the Communist Party of China, Central Commission for Guiding Cultural and Ethical Progress, MIIT, MOFCOM, and SASAC of the State Council. It represents our philosophy of integrating social morality, professional ethics, family virtues and personal morality into corporate culture. We adheres to career ethics learning of employees on ongoing basis.

荣誉证书

合肥雁天运通信息科技股份有限公司：

荣获第十七届全国职工职业道德建设先进单位，特发此证。

中华全国总工会 中共中央宣传部 中央文明办 工业和信息化部 商务部 国务院国资委

二〇二二年十一月

Certificate of Advanced Unit of National Workers' Professional Ethics Construction

9. KEY QUANTITATIVE PERFORMANCE INDICATORS

Environmental Performance Indicators

Indicator	Unit	2022
GHG emissions (Scope 1)	tCO_2e	88.30
GHG emissions (Scope 2)	tCO_2e	1,066.30
Total GHG emissions	tCO_2e	1,154.60
GHG emissions density	tCO_2e/100 million revenue	18.61
Power consumption	kWh	1,495,652.90
Power consumption density	kWh/100 million revenue	24.11
Total water consumption	ton	13,303.45
Water consumption density	Ton/100 million revenue	214.42
Diesel consumption of own vehicle	liter	0
Gasoline consumption of own vehicles	liter	32,621.83
Hazardous waste[3]	ton	0.07
Non-hazardous Waste — Office Paper	ton	2.91
Volume of packaging materials[4]	ton	N/A

[3] It is mainly waste batteries generated during the office process. We have reached an agreement with a qualified processor to ensure that green disposal is carried out in strict accordance with the regulations.

[4] The Group does not produce physical goods, and its main business is to provide digital freight services, which do not involve the use of packaging materials. Therefore, it does not address the key performance indicators in Appendix 27 of the Hong Kong Stock Exchange Listing Rules "Environmental, Social and Governance Reporting Guidelines" A2.5 Disclosure.

Employment Performance Indicators

Indicator	Unit	2022
Total number of employees	person	**1,020**
By gender		
Male	person	**538**
Female	person	**482**
by academic qualification		
University and above	person	**596**
College	person	**381**
Below college	person	**43**
By Employment Type		
Full time	person	**1,020**
Part time	person	**0**
By age group		
30 and below	person	**641**
31 to 50 (inclusive)	person	**369**
50 and above	person	**10**
By geographical region		
Hefei	person	**863**
Beijing	person	**14**
Anqing	person	**32**
Other cities[5]	person	**111**
Employee turnover rate[6]	%	**26.96%**
By gender		
Male	%	**33.27%**
Female	%	**19.92%**
By age group		
30 and below	%	**29.49%**
31 to 50 (inclusive)	%	**23.31%**
50 and above	%	**0**
By geographical region		
Hefei	%	**24.45%**
Beijing	%	**21.43%**
Anqing	%	**31.25%**
Other cities	%	**45.95%**

5 Since the Group has only established small-scale subsidiaries/offices in other cities and its staff is relatively scattered, the data is not broken down in detail.

6 The turnover rate of each category of employees = the number of employees who lost the category in the year/the number of employees in the category at the end of the year.

Occupational Health and Safety Performance Indicators

Indicator	Unit	2020	2021	2022
Lost workdays due to work-related injuries	day	10	8	**0**
Number of employees who died at work	person	0	0	**0**
Proportion of employees who died at work	%	0	0	**0**

Employee Training Performance Indicators

Indicator	Unit	2022
Total number of employees trained	Person	**622**
Employee Training Coverage	%	**60.90%**
By gender[6]		
Male	%	**55.63%**
Female	%	**44.37%**
By employee type		
Management	%	**9.00%**
Non-management	%	**91.00%**
Average training time per employee[7]	hour	**10.30**
By gender		
Male	hour	**11.03**
Female	hour	**9.37**
By employee category		
Management	hour	**36.07**
Non-management	hour	**7.75**

6 According to "How to Prepare Environmental, Social and Governance Report Appendix III: Guidelines for Reporting Social Key Performance Indicators" (March 2020) issued by the Hong Kong Stock Exchange, the calculation method for the training coverage of each category of employees is: the training coverage of each category of employees Rate = number of employees of this category receiving training/total number of employees receiving training (the same below).

7 The annual average training hours of employees of each category = the total hours of training received by employees of this category / the number of employees of this category.

Supplier Performance Indicators

Indicator	Unit	2022
Number of suppliers[8]	Person	1,364,412
By geographical region		
North China	Person	266,369
North-east China	Person	150,705
East China	Person	335,916
South China	Person	40,825
North-west China	Person	217,010
South-west China	Person	106,310
Middle of China	Person	247,277

Customer and Product Responsibility Performance Indicators

Indicator	Unit	2022
Proportion of product recalls due to health and safety reasons[9]	%	N/A
Number of complaints received about products or services[10]	case	0

Anti-corruption Performance Indicators

Indicator	Unit	2022
Corruption lawsuits brought against the company and its employees that have been concluded	case	0

8 The Company's suppliers mainly refer to platform delivery drivers.

9 The Company does not produce physical goods, and the "product take-back procedure" does not apply to the company's digital freight business. Therefore, it does not address the key performance indicators in Appendix 27 of the Hong Kong Stock Exchange Listing Rules "Environmental, Social, and Governance Reporting Guidelines" B6.1 Disclosure.

10 Complaints refer to the complaints received by the company from users and drivers through any channels (including complaint mailboxes, complaint telephones, APPs, etc.). The Company did not receive any complaints during the reporting period.

10. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures & KPIs	Description	Sections
Major Aspects A. Environment		
Aspects A1: Emissions		
General Disclosure A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.3 Green office
KPI A1.1	The types of emissions and respective emissions data.	9 Key Quantitative Performance Indicators
KPI A1.2	Direct (scope 1) and indirect energy (scope 2) of greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9 Key Quantitative Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9 Key Quantitative Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9 Key Quantitative Performance Indicators
KPI A1.5	Describe emissions targets set and the steps taken to achieve these goals.	7.3 Green office
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, the waste reduction goals set and the steps taken to achieve these goals.	7.3 Green office
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources (including energy, water and other raw materials).	7.3 Green office
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	9 Key Quantitative Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	9 Key Quantitative Performance Indicators
KPI A2.3	Description of energy use efficiency initiatives and steps taken to achieve these targets.	7.3 Green office
KPI A2.4	Description of issues (if any) in sourcing water that is fit for purpose, water use efficiency initiatives and steps taken to achieve these targets	7.3 Green office
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced (if applicable).	N/A[11]
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	7.3 Green office
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.3 Green office
Aspect A4: Climate Change		
General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.4 Response to climate change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.4 Response to climate change

[11] The Group does not produce physical goods, and its main business is to provide digital freight services, which do not involve the use of packaging materials. Therefore, it does not address the key performance indicators in Appendix 27 of the Hong Kong Stock Exchange Listing Rules "Environmental, Social and Governance Reporting Guide" A2.5 making disclosures.

Aspects, General Disclosures & KPIs	Description	Sections
Major Aspects B. Society		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	8.3 Anti-discrimination and Labor Standards, Employee Rights and Benefits for Our Employees
KPI B1.1	Total workforce by gender, employment type (e.g., full time or part time), age group and geographical region.	8.3 Anti-discrimination and Labor Standards for Our Employees 9 Key Quantitative Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	9 Key Quantitative Performance Indicators
Aspect B2: Health and Safety		
General Disclosure B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8.3 Health and Safety for Our Employees
KPI B2.1	The number and rate of work-related fatalities occurred in each of the past three years (including the reporting year).	9 Key Quantitative Performance Indicators
KPI B2.2	Lost days due to work injury.	9 Key Quantitative Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	8.3 Health and Safety for Our Employees
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	8.3 Health and Safety for Our Employees
KPI B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	9 Key Quantitative Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	9 Key Quantitative Performance Indicators
Aspect B4: Labour Standards		
General Disclosure B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	8.3 Anti-discrimination and Labor Standards for Our Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	8.3 Anti-discrimination and Labor Standards for Our Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	8.3 Anti-discrimination and Labor Standards for Our Employees

Aspects, General Disclosures & KPIs	Description	Sections
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	5.2 Integrity management 6.3 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	9 Key Quantitative Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.3 Supply Chain Management
KPI B5.3	Description of practices for identifying environmental and social risks in each segment of the supply chain, and related implementation and monitoring methods.	6.3 Supply Chain Management
KPI B5.4	Description of practices to promote the use of environmentally friendly products and services in the selection of suppliers, and related implementation and monitoring methods.	6.3 Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	6.4 Privacy and Information Security
KPI B6.1	Percentage of the total number of products sold or shipped that have to be recalled for safety and health reasons.	N/A[12]
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	6.2 Focus on service quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3 Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	N/A[13]
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6.4 Privacy and Information Security
Aspect B7: Anti-corruption		
General Disclosure B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.2 Integrity management
KPI 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.	9 Key Quantitative Performance Indicators
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.2 Integrity management
KPI B7.3	Description of the anti-corruption training provided to directors and employees.	5.2 Integrity management

[12] The company does not produce physical goods, and "the product is recalled for health and safety reasons" does not apply to the company's digital freight business. Therefore, it does not address the key performance indicators in Appendix 27 of the Hong Kong Stock Exchange Listing Rules "Environmental, Social, and Governance Reporting Guidelines" B6.1 Disclosure.

[13] The company does not produce physical goods, and the "product take-back procedure" does not apply to the company's digital freight business. Therefore, it does not address the key performance indicators in Appendix 27 of the Hong Kong Stock Exchange Listing Rules "Environmental, Social, and Governance Reporting Guidelines" B6.4 Disclosure.

Aspects, General Disclosures & KPIs	Description	Sections
Community		
Aspect B8: Community Investment		
General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8.1 Caring for Truck Drivers 8.2 Devoting to charity
KPI B8.1	Focus areas of contribution (e.g., education, environment matters, labour needs, health, culture, sports).	8.1 Caring for Truck Drivers 8.2 Devoting to charity
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	8.1 Caring for Truck Drivers 8.2 Devoting to charity

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LOGORY

LOGORY LOGISTICS TECHNOLOGY CO., LTD.

合肥维天运通信息科技股份有限公司