



SF Holding

2024

Sustainability
Report

CONTENTS

About SF2

SF Culture	3
Awards for Sustainable Development	4
ESG Ratings Performance	5
Annual Progress on UN Sustainable Development Goals (UNSDGs)	6



Sustainability Management8

Declaration from the Board of Directors	10
ESG Governance	11
ESG Policy Statement	11
Stakeholder Engagement	12
Materiality Assessment	13



Social74

Fostering a Responsible Logistics Ecosystem through Mutual Benefit and Symbiosis

Construction of Talent Team	76
Protecting Employees' Rights and Interests	87
Stand Firm on the Frontline of Safety	98
Stable and Safe Production	101
Building a Responsibility Value Chain	107
Sustaining Commitments to Social Wellbeing	112



Governance18

Fortifying Sustainable Governance for Long-Term Resilience

Standardize Corporate Governance	20
Strengthen Risk Control Management	22
Abiding by Business Ethics	25
Ensuring Information Security	30



Services122

Empowering New-Quality Productivity Through Digital Intelligence

Pioneering Intelligent Logistics Innovation	124
Empowering Enterprises Expanding Overseas	132
Delivering Premium Services	134
Securing Safety Delivery	137
Driving Industry Synergy and Shared Progress	140



Environment34

Pioneering Low-Carbon Logistics to Power a Green Transformation

Creating Green Logistics	36
Promoting Circular Economy	50
Practice Green Operation	54
Safeguarding Ecological Environments	60
Addressing Climate Change	63



Appendices142

About the Report	142
Assurance Statement	145
Policy List	147
Key Performance Indicators	152
Sustainability Report Content Index	165

About SF

“SF Holding is the largest integrated logistics service provider in China and Asia, and the fourth largest in the world.”¹”



A leading enterprise in the logistics industry in China and Asia and has ranked **415th** in the *Fortune* Global **500** list

Focusing on its logistics ecosystem, SF has continually enhanced its portfolio of product and service capabilities, and has expanded to cover time-definite express, economy express, freight, cold chain and pharmaceutical logistics, intra-city on-demand delivery, international express, international cargo and freight forwarding, and supply chain, to provide customers with domestic and international end-to-end one-stop integrated logistics services. Meanwhile, leveraging its leading technology and research and development capabilities, the Company is committed in building a digitalized supply chain ecosystem, empowering clients with technology to create secure and efficient digital supply chain systems. SF aspires to be the well-respected and the world’s leading digital intelligence logistics solution provider.

The Company has adhered to sustainable and healthy development through visionary and forward-looking strategic planning. For the past 32 years, the Company has accurately seized opportunities to expand its scale, maintain industry leadership, and has become the leading logistics company in China and Asia. The Company was ranked 415th on the *Fortune* Global 500. The Company’s flagship product, time-definite express, has dominant market leadership in China, and through leveraging the network resources and capabilities for its time-definite express, the Company has rapidly and efficiently expanded into new logistics service sub-segments, covering from small parcels to bulk and heavy cargoes, from standardized express delivery to customized supply chain services, and from China to Asia and further to the world. The Company is the market leader in China¹ across five logistics sub-segments including express, freight, cold chain, intra-city on-demand delivery² and supply chain³, and the market leader in Asia¹ across four logistics sub-segments including express, freight, intra-city on-demand delivery² and international business⁴ in Asia.

Looking ahead, the Company is committed to becoming the leading global logistics company connecting Asia and the world. While continuously solidifying its leadership position in the Chinese market, the Company continues to expand its market influence across Asia and globally, rapidly replicate its proven domestic know-how to overseas networks. Leveraging its well-recognized brand, leading cost advantages and integrated logistics service capabilities, the Company expands the international market, drives the sustainable and healthy growth of business, so as to become the go-to logistics partner of global business customers and retail customers to foster shared-growth and create enduring value together.

Extensive Scale

Largest in Asia

4th Largest Globally
Integrated logistics service provider¹

Leadership¹

No. 1 in Asia
Express, LTL Freight, Intra-city On-demand Delivery², International Business⁴

No. 1 in China
Express, LTL Freight, Cold chain, Intra-city On-demand Delivery², Supply chain³

Premium Brand

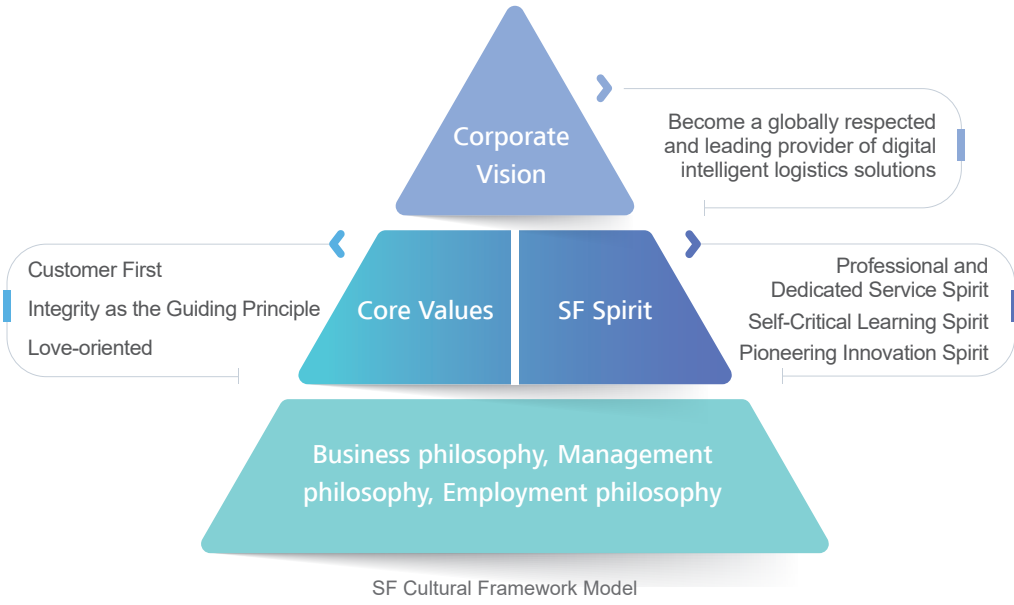
No. 1
Customer Satisfaction for express services in China

15 years in a row

¹ According to Frost & Sullivan Report, in terms of revenue in 2023
² Among third-party intra-city on-demand delivery service providers
³ Among non-state-owned independent third-party supply chain solution providers
⁴ Among the integrated logistics service providers in Asia

SF Culture

SF culture represents the unique spiritual wealth and material forms that have been developed by SF through its production, operation, and management activities. At its core are the Company’s vision, core values, SF spirit, and three key concepts related to business management, management practices, and talent management. These elements collectively embody the fundamental characteristics of SF’s corporate personality and serve as the soul of the Company’s survival, competition, and sustainable development.



Corporate Vision

Become a globally respected and leading provider of digital intelligent logistics solutions

Core Values

- Customer First** Customer needs are the “source of innovation” for the company, which strives to deliver products and services that exceed customer expectations.
- Integrity as the Guiding Principle** Integrity as the guiding principle is the company’s “foundation for enduring success,” serving as both a moral standard and a business strategy.
- Love-Oriented** Being love-oriented is the company’s “source of value creation,” and we must consistently enhance the employee experience.

SF Spirit

- Professional and Dedicated Service Spirit** Pursue professionalism, maintain focus, and deliver warm, high-quality, and value-driven services to customers.
- Self-Critical Learning Spirit** Address all issues by first examining one’s own shortcomings, take responsibility without shirking, face challenges head-on, continuously engage in self-reflection and correction, and achieve personal growth.
- Pioneering Innovation Spirit** Proactively embrace change, dare to innovate and break through, and avoid being confined to old models.

Awards for Sustainable Development

Fortune

2024 Fortune **Global 500** (listed for 3 consecutive years)

2024 Fortune **Most Admired Chinese Companies** (listed for 8 consecutive years)

2024 **China ESG Influential Listing** (listed for 3 consecutive years)

Brand Finance

2024 **Top 500 Most Valuable Brands** in 2024 (listed for 5 consecutive years)

2024 **Top 10 Most Valuable Logistics Brands** in 2024 (listed for 6 consecutive years)

2024 **Top 10 Logistics Brands by Sustainability Perceptions Value** in 2024

Forbes

2024 **China ESG 50**

State Post Bureau

Express delivery service ranks **first in public satisfaction** in the first three quarters⁵ of 2024

No. 1 in express delivery service satisfaction in 2023 (15 consecutive years)

China Association for Public Companies

Best Practices for Sustainability of Listed Companies in 2024 (3 consecutive years)

Best Practices for Board of Directors of Listed Companies in 2024 (2 consecutive years)

China Communications and Transportation Association

Typical Cases of China's Green Logistics ESG Practice Pioneers for 2023-2024

Sina Finance

2024 China ESG "Golden Responsibility Award" – **Best Corporate Governance (G) Responsibility Award**

Securities Market Weekly

Best ESG-Managed Listed Companies in 2024

2024 **ESG "Golden Dawn Corporate Governance Award"**

2024 **ESG "Golden Dawn Leadership Award"**

Securities Star

2024 **Most Socially Responsible Listed Company**

2024 **ESG New Benchmark Enterprise Award**

2024 ESG Investment Value **TOP 100 List**

Gelonghui

The 6th Gelonghui Golden Award – **Annual ESG Pioneer Award**

Philanthropist of China

2024 China Charity Gala **"Institution of the Year"** (SF Foundation)

Hong Kong ESG Reporting Awards (HERA)

2024 **HERA ESG Reporting Excellence Award**

⁵ As of the disclosure date of this report, the 2024 Courier Service Public Satisfaction Survey data has not yet been released.

ESG Ratings Performance

International ESG Ratings

MSCI ESG RATINGS

MSCI rating of **BBB** for three consecutive years (2022-2024)

CCC B BB **BBB** A AA AAA

CDP Climate Change Questionnaire Rating **B** for three consecutive years (2022-2024)

CDP Discloser 2024

Sustainalytics' latest ESG Risk Rating is **"Low Risk"**

SUSTAINALYTICS Low Risk

Included in the **FTSE ESG** Index series for four consecutive years (2021-2024)

FTSE4Good

Domestic ESG Rating

AAA

CNI ESG Ratings

AA

CSI ESG Assessment

A

China HuaZheng ESG Ratings

A

Wind ESG Ratings

A

CCX ESG Ratings

A

SynTao Green Financial ESG Rating

Annual progress on UN Sustainable Development Goals (UNSDGs)

- 1

The SF Lotus Education Aid Program has covered 67 counties (cities, districts) in 18 provinces (autonomous regions, municipalities) across the country, funded a total of **41,918** students in need, and distributed scholarships and grants of **RMB260 million**.
- 3

The SF Care Program has invested a total of **RMB481 million** to help **24,259** seriously ill children and orphans in distress, and provide humanistic care services to **40,806** children, families and medical staffs.

Provided **emergency support** for typhoon relief in Hainan and earthquake relief in Xizang, leveraging our transportation resource advantages to **swiftly deliver essential and relief supplies to the disaster areas**.

Provide approximately **9,000** female employees with free health screenings for cervical and breast cancer.
- 4

The SF Liangshan Charity Class Program funded **234** students in distress across **4** classes throughout the year. To date, a total of **25** Love Classes has been established, providing support to **1,410** children and girls in distress.
- 5

There are **2** female directors on the board of directors, accounting for **28.6%**
- 7

More than **40,000** new energy vehicles have been placed in service, with a service coverage of **253** cities.

First commercial trial flight of a domestic all-cargo aircraft using **Sustainable Aviation Fuel (SAF)**.

Constructed rooftop photovoltaic power stations in **24** industrial parks, with over **111 MW** total installed capacity. Annual renewable energy generation exceeds **70 million kWh**, and clean energy usage surpasses **42 million kWh**.
- 8

Comply with international human rights and labor standards, implement the **ten principles of the United Nations Global Compact**, and integrate human rights protection into the entire business operation process.

Formulate **the Statement on Employees Rights and Protection** to implement the requirements of eight international conventions, including equal pay for equal work, prohibition of child labor, elimination of employment discrimination, prohibition of forced labor, and occupational safety and health.

SF's agricultural supply network spans over **2,800** county-level cities nationwide, covering over **5,500** fresh product varieties.

6.3 million tons of specialty agricultural products were transported throughout the year, projected to generate over **RMB100 billion** rural income.
- 9

Investment in science and technology R&D amounted to **RMB3.09 billion**

4,180 patents in force or pending, with invention patents accounting for **61.5%** of the total

A finalist for **the 2025 Franz Erdmann Prize** – often referred to as the “Nobel Prize” of industrial engineering – and the sole Chinese representative in the final stage
- 10

Respect cultural differences in different regions, **strictly prohibit any form of discrimination**, and are committed to creating a **diverse, equal, and inclusive** workplace environment for employees worldwide.

15.1% of female workforce; **5.8%** of ethnic minority workforce



- 11

Successfully completed the batch replacement of about **47 million** “Double E” packaging bags in Beijing, promoting the large-scale implementation of circular economy.

Smart recycling bins have been placed in **15** operation sites in Shenzhen, and a total of **3,905 kg** of waste materials have been recycled.

Issued the **SF Supplier Code of Conduct**, incorporating ESG requirements such as business ethics, safety and occupational health, labor and human rights, and environmental protection into the terms of supplier contracts, and regularly reviewing supplier performance.

Designed and published the **Supplier Sustainability Survey Questionnaire** to continuously advance environmental and social responsibility practices throughout the supply chain.

Evaluated **1,422** key suppliers, conducted on-site audits of over **1,392** suppliers, with an audit pass rate of **91.3%**.
- 12

Through packaging reduction measures, reduced approximately **42,000 tons** of paper and **155,000 tons** of plastic, achieving a carbon emission reduction of about **192,000 tons**.

Deployed **19.18 million** recyclable packaging containers, with **over 1 billion cycles**, reducing carbon emissions by around **472,000 tons**.

Give priority to purchasing energy-saving, water-saving, and material-saving **environmentally friendly products and services** to reduce resource consumption and environmental pollution, and to promote the implementation of the green procurement concept.
- 13

Carbon Target White Paper⁶ set out the commitment to achieve a **55%** improvement in carbon efficiency by 2030 compared to 2021, and a **70%** reduction in the carbon footprint of each parcel compared to 2021.

In 2024, SF achieved a carbon efficiency of⁷ **41.2 tCO₂e/million revenue**, representing a **15.2%** improvement compared to the carbon target baseline year (2021). And the carbon footprint per parcel was **709.9 gCO₂e**, a decrease of **17.5%** compared to the carbon target baseline year (2021).

By advancing low-carbon transportation, creating green industrial parks, developing sustainable packaging, and exploring green technology applications, SF reduced greenhouse gas emissions by **2,972,306 tCO₂e** in 2024.
- 15

More than **1,647 acres** of carbon-neutral forests have been planted in Hebei and Sichuan, with a total of more than **1 million** trees planted. It is expected to absorb more than 200,000 tons of carbon dioxide in the future growth process

Launched the “**Special Conservation Project of Biodiversity of White-lipped Deer**” in the Nianlong Provincial Nature Reserve in Ganzi Prefecture, Sichuan Province
- 16

The Board has **three** independent non-executive directors with different industry backgrounds, representing **more than one-third** of the Board members.

Formulate and publish **SF Code of Business Conduct, Statement on Anti-Corruption** and **Statement of Conflict of Interest**.

In the past three years, the Company's internal operation premises audit (including business ethics audit) coverage rate was **100%**.

The signing rate of suppliers' *the Integrity Agreement* reached **100%**.
- 17

Joined the **Universal Postal Union Consultative Council (UPUCC)**, becoming a key participant in policy formulation and rule discussions in the global postal sector

Joined the **Global Sustainable Transport Innovation Alliance (GSTIA)** to collaboratively build an international platform for sustainable transport innovation and cooperation with fellow members

As a co-founder of the **China Logistics ESG Synergy Alliance**, we collaborate with upstream and downstream enterprises in the industry chain to jointly explore and establish ESG standards and practice paths with Chinese logistics characteristics

⁶ Since KLN (Kerry Logistics Network Limited, which is currently in the process of changing its name to KLN Logistics Group Limited) has already formulated and announced its carbon targets, and there are differences in business models between SF and KLN, this long-term target does not include KLN. KLN is a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 0636.HK) and is a holding subsidiary of the Company.

⁷ The carbon efficiency data presented here pertains solely to SF, excluding KLN.

Sustainability Management

SF is committed to integrating corporate value with social value, nurturing a vision to drive sustainable industry development, and actively exploring the path of corporate sustainability. SF continuously improves its sustainable development management system, actively integrating ESG principles into every aspect of its value chain, enhancing its sustainable development capabilities and business resilience, and achieving long-term value creation.

- 🔄 Declaration from the Board of Directors
- 🔄 ESG Governance
- 🔄 ESG Policy Statement
- 🔄 Stakeholder Engagement
- 🔄 Materiality Assessment

01

Declaration from the Board of Directors

The Board of Directors and all directors solemnly declare that the contents of this report are true, accurate, and complete, without any false records, misleading statements, or significant omissions. The Board also makes the following statements regarding its ESG supervision and management work.

ESG Management Framework

The Board closely monitors major global ESG trends and changes in the domestic and international macroeconomic situation. It actively communicates with stakeholders and, in line with the Company's current strategic plan, accurately identifies ESG-related risks and opportunities. The Board updates its ESG management approach when necessary to ensure that SF's ESG philosophy remains aligned with evolving standards.

ESG Risk Management

The Board places a high priority on the management of ESG-related risks, actively engages with stakeholders to understand their concerns, and systematically evaluates, analyzes, and prioritizes ESG issues to identify relevant risks and opportunities. Management policies and strategies are reviewed and updated as necessary to align with evolving ESG standards and best practices. SF has integrated ESG-related risks, including climate change, into its corporate risk assessment framework. The Company conducts regular risk identification and assessment exercises, and develops and implements corresponding risk mitigation measures to ensure effective management of these risks. For a detailed discussion on risk management and internal control, please refer to section "Governance Chapter: Strengthen Risk Control Management" in this report. For specific information on climate change risk management, please refer to section "Environment Chapter: Addressing Climate Change".

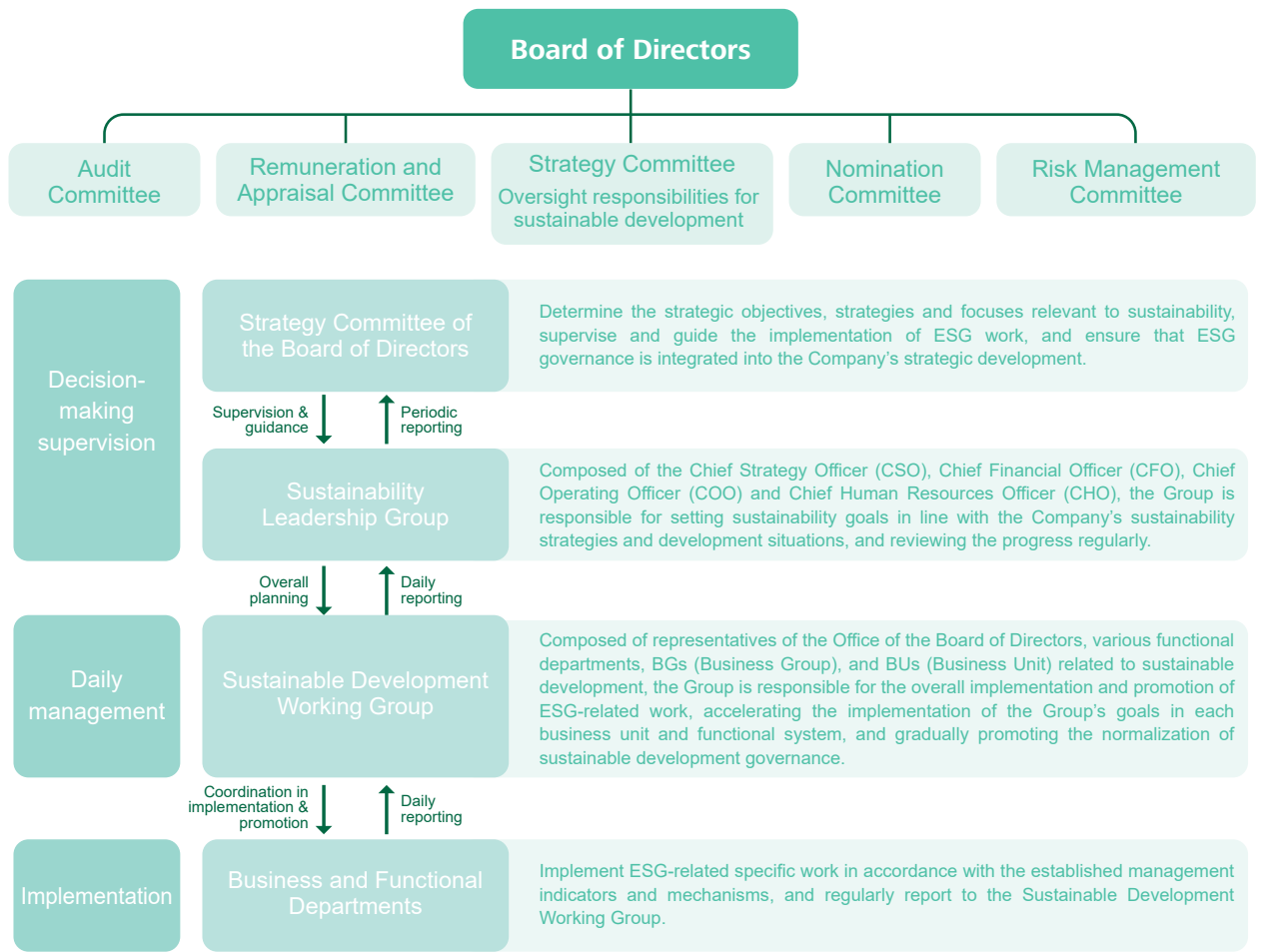
ESG Goal Setting and Progress Review

The Board of Directors is responsible for overseeing and managing the Company's sustainable development initiatives. It sets strategic objectives, defines key focus areas, and determines the direction for core sustainable development activities. The Board also supervises and guides the implementation of ESG initiatives to ensure that ESG governance is fully integrated into the Company's strategic development. Members of the Sustainability Leadership Group, which is under the Board's Strategy Committee, have their remuneration linked to ESG performance. Going forward, the Board will continue to enhance the Company's ESG management framework. This includes regularly reviewing progress against ESG targets, actively addressing the concerns of stakeholders, and continuously improving the overall ESG governance levels.



ESG Governance

SF integrates ESG principles into its corporate development strategy, establishing a scientific and professional ESG management system and a clear and transparent ESG governance structure. Meanwhile, it comprehensively implements the ESG-related strategies to support the sustainable development of the Company's business.












ESG Policy Statement

In 2024, SF enhanced its ESG policy framework and introduced several new sustainability policies.

Dimension	Policy
Governance	SF Code of Business Conduct
	Statement on Anti-Corruption
	Statement of Conflict of Interest
	Board Diversity Policy
Society	Statement on Employees Rights and Protection
	SF Supplier Code of Conduct
Environment	Environmental Policy

Stakeholder Engagement

SF places a high priority on stakeholder engagement, establishing diversified and efficient communication channels tailored to the priorities of each stakeholder group. These channels ensure that nine key stakeholder groups, including regulators, customers, employees, investors, and value chain partners, receive timely and accurate information on an ongoing basis, thereby normalizing and enhancing the transparency of communications. Additionally, SF integrates stakeholder expectations and concerns into its strategic planning and daily operations, regularly reviewing the significance of various issues within the company's operations and development.

Main Stakeholder Groups	Main Concerns	Main Channels for Communication	Response Measures
 Regulatory Agencies	<ul style="list-style-type: none">Compliance OperationsTax payment according to lawBuilding Integrity	<ul style="list-style-type: none">Information DisclosurePolicy ImplementationInstitutional inspection	<ul style="list-style-type: none">Operate in full compliance with laws and regulationsPrevent major safety accidentsEnhance local employment ratesActively advance industrial poverty alleviation
 Customers	<ul style="list-style-type: none">Safety DeliveryProtection of Consumer RightsCustomer Privacy ProtectionResponsible Marketing	<ul style="list-style-type: none">Customer ResearchCustomer HotlineCustomer Satisfaction Survey	<ul style="list-style-type: none">Deliver efficient, reliable, and rapid logistics servicesEnhance the customer claims processBuild a safety ecosystem
 Employees	<ul style="list-style-type: none">Protection of employees' rights and interestsEmployee Development and TrainingEmployee CareOccupational health and safety	<ul style="list-style-type: none">Employee Communication ChannelsEmployee satisfaction surveyEmployee MeetingEmployee activities	<ul style="list-style-type: none">Protect employees' rights in accordance with the lawConduct a variety of training programs activelyRefine the mechanisms for talent promotion and compensationStrengthen occupational health and safety managementImplement diverse employee benefits
 Shareholders and Investors	<ul style="list-style-type: none">Return on investmentCorporate GovernanceESG Management	<ul style="list-style-type: none">General Meeting of ShareholdersAnnouncements and CircularsInvestor Roadshow	<ul style="list-style-type: none">Establish and refine a robust decision-making and oversight mechanismEnhance risk management and controlEnsure effective information disclosureOrganize activities targeting different types of shareholders
 Directors, Supervisors and Senior Management	<ul style="list-style-type: none">Corporate GovernanceCompliance RiskSustainable Operations	<ul style="list-style-type: none">Regular Board Meetings	<ul style="list-style-type: none">Regular ReportingOperate in full compliance with laws and regulationsEnhance risk management and control
 Suppliers	<ul style="list-style-type: none">Sustainable ProcurementIntegrity and HonestyIndustry Cooperation	<ul style="list-style-type: none">Supplier ConferenceSupplier TrainingIndustry Communication	<ul style="list-style-type: none">Conduct transparent procurement practicesEliminate commercial bribery
 Community	<ul style="list-style-type: none">Public CharityCommunity DevelopmentRural Revitalization	<ul style="list-style-type: none">Provision of employmentIndustrial assistanceVolunteer servicePublic welfare activities	<ul style="list-style-type: none">Engage through official platforms such as websitesConduct regular visits
 Industry Associations	<ul style="list-style-type: none">Strengthen Communication and CooperationIndustry Standard Development	<ul style="list-style-type: none">Convening Summit ActivitiesOrganize technological communication	<ul style="list-style-type: none">Participate in industry exchange activitiesLead in the development of industry standards
 Media/the Public	<ul style="list-style-type: none">Information disclosureInteract with the media	<ul style="list-style-type: none">Information DisclosureEstablish a communication mechanism	<ul style="list-style-type: none">Actively communicate through official platforms such as websitesProvide external communication materials

Materiality Assessment

Materiality management serves as the foundation and core for the Company to identify and evaluate ESG risks, impacts, and opportunities, and to formulate ESG strategic plans in a scientific manner. It is essential for advancing sustainable development initiatives. To review objectives, commitments, policies, management strategies, practices, and performance related to sustainable development, and to address stakeholder concerns regarding the Company's sustainability efforts, SF conducts an annual materiality assessment. This process combines questionnaire surveys and on-site interviews to identify and update key ESG issues, which are then fully integrated into the Company's operational management. This approach ensures continuous enhancement of the Company's sustainable development management and practices.

In 2024, SF implemented a double materiality assessment for the first time, in accordance with the *Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)* and the *Self-Regulatory Guidelines for Listed Companies No. 3 – Preparation of Sustainability Report* issued by the Shenzhen Stock Exchange. This assessment expanded upon the existing impact materiality evaluation by incorporating a financial perspective, thereby conducting a comprehensive analysis of the materiality of ESG issues to the Company. The material issues identified through this process are addressed within this report.

Double Materiality Assessment Process

<div>Step 1 Background Analysis and Issue Identification</div> <div>In the process of reviewing and updating the list of ESG issues for the year, the Company strictly adhered to the provisions of the <i>Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)</i> issued by the Shenzhen Stock Exchange. The Company comprehensively considered various factors, including macroeconomic and policy environment, ESG information disclosure standards, international sustainability initiatives, capital market ESG rating requirements, industry best practices in ESG, and the Company's development strategies. Based on these considerations, the Company expanded the ESG issue list by adding nine new issues to the 17 identified in 2023 and optimized the wording of existing ESG issues. This resulted in a comprehensive list of 26 ESG issues, which provides clear guidance and direction for the Company's sustainable development.</div>		
Topic	ESG Issues of 2024	Changes from the Previous Year
 Environment (Total: 9 Issues)	<ul style="list-style-type: none">Addressing Climate ChangePollutant Emissions ManagementWaste ManagementEcosystem and Biodiversity ConservationEnvironmental Compliance ManagementEnergy UtilizationWater Resource ManagementCircular EconomyGreen Packaging	<ul style="list-style-type: none">Split "Emission management" into "Pollutant Emissions Management" and "Waste Management".Added the topics of "Ecosystem and Biodiversity Conservation," "Environmental Compliance Management," and "Water Resource Management".Revised the topic of "Energy Management and Carbon Emission Reduction" to "Energy Utilization".Split the topic of "Green Packaging and Resource Recycling" into "Circular Economy" and "Green Packaging".
 Social (Total: 12 Issues)	<ul style="list-style-type: none">Rural RevitalizationSocial ContributionInnovation-Driven DevelopmentEthics in Science and TechnologySupply Chain Security and ResilienceEqual Treatment of Small and Medium-sized Enterprises (SMEs)Product and Service Safety and Quality AssuranceData Security and Customer Privacy ProtectionEmployeeDiversity and InclusionSafety Delivery and TransportationBuilding a Green and Intelligent Industrial Chain	<ul style="list-style-type: none">Split "Rural revitalization, charity and volunteering" into "Rural Revitalization" and "Social Contribution".Added "Innovation-Driven Development," "Ethics in Science and Technology," and "Equal Treatment of SMEs".Revised the topic of "Product and Service Optimization" to "Product and Service Safety and Quality".Revised the topic of "Sustainable Supply Chains" to "Supply Chain Security and Resilience".Merged the topics of "Occupational Health and Safety Management," "Employee Training and Development," "Employee Welfare and Care," and "Respect and Guarantee of Human Rights" into the topic of "Employee".Reclassified the topic of "Data Security and Privacy Protection" from the Governance scope to the Social scope.
 Governance (Total: 5 Issues)	<ul style="list-style-type: none">Due diligenceStakeholder EngagementAnti-Commercial Bribery and Anti-CorruptionAnti-Unfair CompetitionCorporate Governance	<ul style="list-style-type: none">Added the topics of "Due Diligence" and "Stakeholder Engagement".Split and revised the topic of "Anti-corruption and Business Ethics" into "Anti-Commercial Bribery and Anti-Corruption" and "Anti-Unfair Competition".

Step 2

The Company has established an assessment process to identify, analyze, and evaluate the potential impacts, risks, and opportunities associated with ESG issues, forming the basis for materiality assessment.

Step 2-1: Impact Materiality Assessment

SF conducted a quantitative assessment of the environmental, social, and governance impacts of various ESG issues on a scale of 1 to 5 through questionnaire surveys, inviting both internal and external stakeholders to participate. Additionally, SF engaged in interviews with key stakeholders to evaluate the likelihood of the impacts associated with each ESG issue. The impact importance scores for each ESG issue were determined through a comprehensive analysis of the quantitative assessment results and interview findings.

Dimension 1: Impact Assessment

SF conducted an impact assessment of the influence of ESG issue management through a questionnaire survey, consulting both internal and external stakeholders. The assessment dimensions comprehensively considered the scale, scope, and irreversibility of the impact.

Dimension 2: Likelihood Assessment

SF's sustainable development working group, in collaboration with external ESG experts, assessed the likelihood of the impacts associated with each ESG issue.

Step 2-2: Financial Materiality Assessment

Under the guidance of external ESG experts, the Company's sustainable development working group assessed the financial materiality of various ESG issues from two dimensions: "Continuity of Resource Use" and "Dependence of Relationships".

Dimension 1: Continuity of Resource Use

From the perspective of ensuring the Company's normal operations, the likelihood and magnitude of the impact of ESG issues on the Company's profits were assessed over the short, medium, and long term.

Dimension 2: Dependence of Relationships

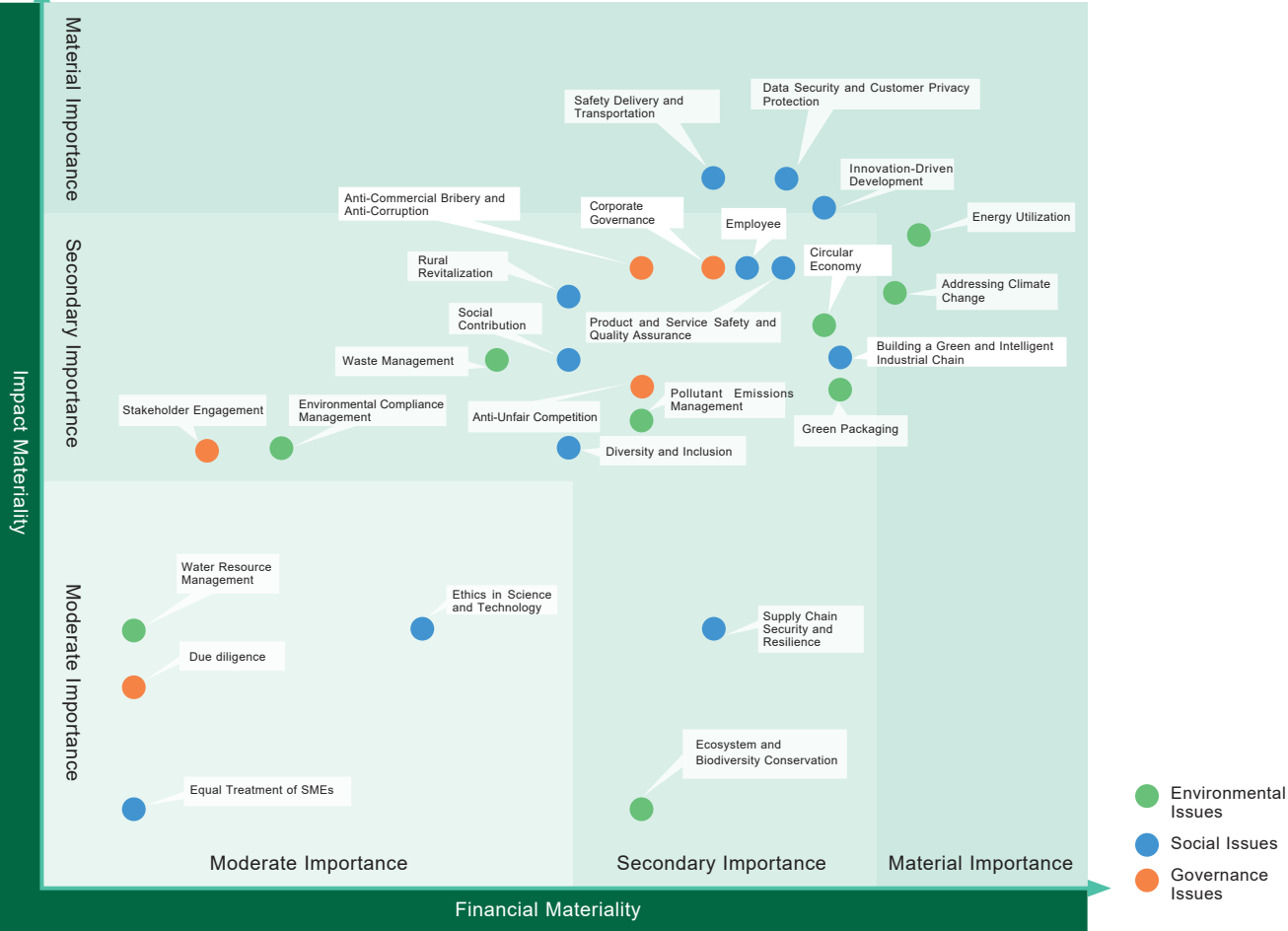
In accordance with the objectives of maintaining good relationships with external stakeholders and supporting the Company's long-term development, the Company assessed the potential likelihood and magnitude of the impact of the management of various ESG issues on its profitability during the reporting period, as well as over the short, medium, and long term.

Step 3
Prioritization of
Material Issues

Based on the assessment results from Step 2, the Company conducted a double materiality analysis to determine the priority ranking of material issues for the year 2024 and developed a materiality matrix. In evaluating the "Energy Utilization" issue, the Company considered that the energy structure is undergoing an accelerated transition and that the Company's continuous operations are highly dependent on energy. Both energy utilization and energy transition are anticipated to have a profound impact on the Company's long-term strategy, operational performance, and cost management.

Regarding the "Climate Change Mitigation" issue, the adoption of green and low-carbon logistics models presents significant opportunities for the Company. Accelerated transformation is necessary to better capture market opportunities. Therefore, in accordance with the Company's defined threshold for financial materiality, both "Energy Utilization" and "Climate Change Mitigation" are deemed to be financially material.

2024 Double Materiality Analysis Matrix



Step 4
Analysis and
Reporting

The materiality matrix is reviewed and confirmed by the Strategy Committee of the Board of Directors and is subsequently reported and disclosed. The Company conducts an analysis and assessment of the impacts, risks, and opportunities associated with the top five material issues, based on their priority ranking. The management measures and practical outcomes related to these issues are highlighted in the relevant sections of this report.

Materiality Priority	Topic	ESG Key Issue	Location in the Value Chain	Related Stakeholders	Impacts	Risks	Opportunities	Disclosure Location of Management and Practices
1	Environment	Energy Utilization	Direct Operations	Regulatory Agencies Customers Suppliers	<ul style="list-style-type: none">The energy consumption structure of the logistics industry directly impacts operating costs and the progress of carbon emission reduction. Policy pressures and oil price fluctuations drive the large-scale adoption of new energy technologies, accelerate the electrification of transport vehicles, and enhance the layout of clean energy networks. These measures collectively promote the industry's transition towards green and intensive development.	<ul style="list-style-type: none">Fluctuations in traditional fuel costs have intensified operational uncertainty, while the pressure from carbon emission reduction policies has driven up transition investment. The rapid iteration of new energy technologies demands ongoing capital expenditure, which somewhat increases the pressure on operating costs.	<ul style="list-style-type: none">The Company continues to enhance its energy utilization efficiency and reduce energy costs through applications such as new energy vehicles and photovoltaic power generation. Its green logistics capabilities will help expand customer bases in low-carbon-sensitive sectors, including high-end manufacturing and cross-border e-commerce. The first-mover advantage in carbon management technology enables the Company to lead the development of industry green standards and drive the shift of logistics service premiums from a focus on timeliness to one on sustainability.	Practice Green Operation
2	Environment	Addressing Climate Change	Direct Operations Downstream	Customers Employees	<ul style="list-style-type: none">The increasing frequency of extreme weather events has heightened the risk of logistics network disruptions and intensified the volatility of operating costs. Global carbon tariffs and emission reduction targets are accelerating the low-carbon transition of transportation vehicles, compelling the company to expedite the deployment of new energy vehicles and clean energy infrastructure. Meanwhile, climate resilience has emerged as a core indicator of supply chain performance, spurring innovation in low-carbon last-mile delivery models. These developments directly influence customer choices and drive the iteration of industry service standards.	<ul style="list-style-type: none">The increasing frequency of extreme weather events exacerbates the risk of logistics network disruptions. Hurricanes, floods, and other natural disasters lead to fluctuations in transportation timeliness and rising costs associated with infrastructure damage. Meanwhile, carbon tariffs and mandatory emission reduction targets may necessitate increased investment in transforming green logistics models.	<ul style="list-style-type: none">Investing in climate adaptive technologies can enhance supply chain resilience. Green logistics solutions attract ESG investment funds and high-end customers. The deployment of new energy vehicles and photovoltaic industrial parks helps seize the low-carbon logistics niche, converting climate governance capabilities into dual benefits in pricing power and market share.	Addressing Climate Change
3	Social	Data Security and Customer Privacy Protection	Direct Operations	Regulatory Agencies Customers Employees	<ul style="list-style-type: none">In the digital transformation of the logistics industry, data security and privacy protection have a direct impact on the company's operational risk management and the foundation of customer trust. With the tightening of global privacy regulations, this issue has become both a core element of corporate competitiveness in meeting compliance challenges and a key driver of technological upgrades and ecological collaboration within the industry. The increasing prioritization of data security by customers is compelling the industry to reshape its service standards.	<ul style="list-style-type: none">The Company has accumulated a large amount of data over many years of operation. Despite having established a series of data security control mechanisms, certain data security risks remain. As customers' awareness of privacy protection grows and regulatory requirements for the standardization of data processing activities become stricter, companies holding personal information inevitably face privacy compliance risks.	<ul style="list-style-type: none">Data security and privacy protection technologies can be leveraged as differentiated service advantages. Benefiting from its leading position and substantial technological accumulation in the logistics industry, the company has established a robust data security management system and constructed a comprehensive, full-process data security protection framework to safeguard customer privacy and data integrity.	Ensuring Information Security
4	Social	Innovation-Driven Development	Direct Operations Downstream	Customers Employees	<ul style="list-style-type: none">Technological innovation in the logistics industry continues to reshape service efficiency and the value chain. Breakthroughs and iterations in automation and digital technologies are accelerating industry differentiation and driving traditional logistics towards an intelligent and low-carbon ecosystem.	<ul style="list-style-type: none">High investment in innovative technology R&D may intensify short-term financial pressure, while the uncertainty of the R&D cycle may heighten operational risks. Accelerated technology iteration drives industry differentiation. If unable to form a technology moat or if R&D outcomes do not support enhanced business capabilities, this will directly affect the company's market competitiveness and long-term development.	<ul style="list-style-type: none">The Company places a strong emphasis on R&D investment, accurately seizing the opportunities presented by technological innovation. By leveraging technology to empower product and service innovation, it enhances service quality and is committed to delivering integrated digital supply chain solutions to customers. These efforts consolidate the Company's core competitive advantages and support its long-term sustainable development.	Pioneering Intelligent Logistics Innovation
5	Social	Safety Delivery and Transportation	Direct Operations	Regulatory Agencies Employees Community Media/the Public	<ul style="list-style-type: none">Safe delivery is the lifeblood of the logistics industry. The growing customer demand for parcel integrity and controllability of the transport process has shifted logistics services from basic efficiency competition to safety and trust as value anchors. Intelligent monitoring and full traceability have become key to reshaping market entry barriers and are driving the creation of high-value-added, safety-focused customized services.	<ul style="list-style-type: none">Accidents involving safe delivery may lead to damage to brand reputation and risks of legal accountability. The need for technological upgrades, such as intelligent monitoring and full-process temperature control, will drive up the company's operating costs. Meanwhile, the iteration of industry safety standards will add to the company's compliance pressure.	<ul style="list-style-type: none">Safe delivery and transport capabilities have emerged as the core of the company's differentiated competition, with growing demand for high-end services such as high-insurance protection and pharmaceutical cold chains. Intelligent traceability technology can generate data-driven value-added services. Leading the development of industry safety standards strengthens the company's ecosystem influence and drives the shift of logistics value towards safety and trust assets.	Securing Safety Delivery Driving Industry Synergy and Shared Progress

Governance

Fortifying Sustainable Governance for Long-Term Resilience

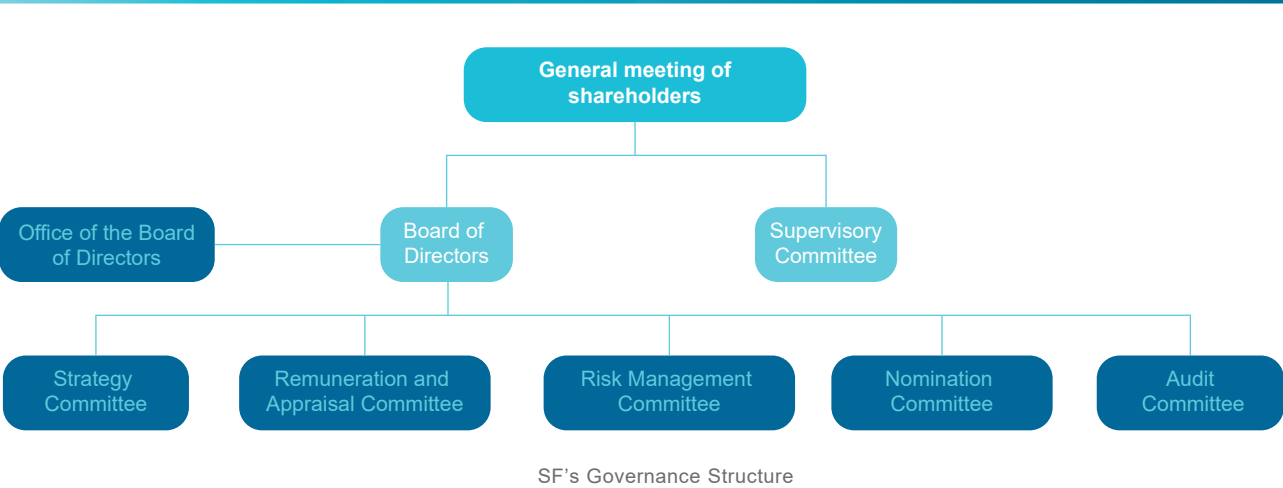
"Honesty is the way" is the core value that SF has always adhered to. In the face of the increasingly complex global regulatory environment, SF has always adhered to the principle of good faith and built a rigorous corporate governance structure, a comprehensive risk management and control system, strict business ethics standards and a complete information security guarantee system to provide customers with safe and reliable logistics. While providing services, we make every effort to ensure the sustainable, stable and healthy development of the enterprise. In order to realize the corporate vision of "becoming a respected world-leading digital logistics solution service provider".

- Standardize Corporate Governance
- Strengthen Risk Control Management
- Abiding by Business Ethics
- Ensuring Information Security

Standardize Corporate Governance

Corporate Governance

SF has formulated the *Articles of Association* and other supporting internal control systems in strict compliance with the requirements of the *Company Law*, *the Securities Law*, *the Governance Code of Listed Companies* and the relevant listing rules of the Shenzhen Stock Exchange and the Stock Exchange of Hong Kong Limited (including the *Corporate Governance Code*) and other relevant laws and regulations, so as to improve the Company's internal corporate governance structure, improve the internal management system and standardize the Company's behavior. The Company has defined the responsibilities and powers of decision-making, execution and supervision, and established a corporate governance structure consisting of the general meeting of shareholders, Board of Directors and Supervisory Committee, forming a division of labor and restraint mechanism with clear powers and responsibilities and standardized operation. The Company's governance structure complies with the relevant requirements of domestic and overseas regulatory authorities on the governance of listed companies.



General Meeting of Shareholders

The Company convenes and holds general meetings of shareholders in strict compliance with relevant laws and regulations, engages lawyers to attend the general meeting as observers and issue legal opinions on the holding and voting procedures of the general meeting, and gives full respect to and protects the legitimate rights and interests of all shareholders and investors. The Company's controlling shareholders strictly regulate their behaviors, exercise their rights through the general meeting, and do not interfere with the Company's management or decision-making directly or indirectly bypassing the general meeting and the Board. In 2024, SF held 2 general meetings.

Board of Directors

SF's Board of Directors is composed of 7 directors, of which 4 are executive directors and 3 are independent non-executive directors. In 2024, the Company, giving full play to the decision-making functions, held a total of 8 board meetings to study and make decisions on major matters such as share repurchase plans, dividend plans, and exercise of equity incentives, giving full play to the decision-making guidance role of the board of directors. In strict accordance with the requirements of the *Company Law*, *the Articles of Association*, the relevant listing rules of Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited and other relevant laws and regulations, SF has meticulously conformed to the relevant procedures of the board meeting, and made timely disclosure of information after the meetings.

The Board of Directors has established five special committees, namely the Strategy Committee, the Remuneration and Appraisal Committee, the Risk Management Committee, the Nomination Committee, and the Audit Committee. In 2024, these special committees held a total of 13 meetings. Each committee member carefully reviewed various issues, actively put forward relevant opinions and suggestions on corporate governance and business decisions, supervised and promoted the implementation and implementation of the resolutions of the board of directors, diligently and actively performed their duties, and safeguarded the legitimate rights and interests of the Company and all shareholders.

Performance of Duties by Special Committees of SF's Board of Directors in 2024	
Strategy Committee	Review the overall development strategy and sustainable development strategy of the Company, supervise and guide the implementation of ESG work, and make recommendations to the Board.
Remuneration and Appraisal Committee	Recommend the remuneration of Directors and senior management to the Board, to ensure that the remuneration system serves the Company's business strategy and continuously adjust it to support the Company's long-term development.
Risk Management Committee	Guide the Company's overall risk management work, evaluate the integrity of the risk management system (including ESG risks) and issue opinions, and assist the Board in performing its risk management functions.
Nomination Committee	Review the diversity policy for board members, examine the structure and composition of the board, assess the independence of independent non-executive directors, and provide professional recommendations.
Audit Committee	Auditing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control system, standardizing the Company's operating behavior, improving operation management and avoiding operational risks.

Diversity of the Board of Directors

In order to enhance the efficiency of the Board and maintain high standards of corporate governance, the Company has adopted a Board Diversity Policy which sets out the objectives and approaches to achieve and maintain diversity on the Company's Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity by considering a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, industry and regional experience and length of service. The implementation of this policy is monitored by the Nomination Committee. The Nomination Committee shall report its findings and make recommendations, if any, to the Board. The Company reviewed such policies and objectives from time to time and at least annually to ensure that they are suitable for determining the optimal composition of the Board.

As of the end of 2024, the Company's board of directors has a balanced allocation of experience and industry background. The directors of the Company have diverse educational backgrounds, including economics, law, accounting, business administration, as well as different industry backgrounds and professional qualifications. The Company has three independent non-executive directors with different industry backgrounds, accounting for more than one-third of the board members. In addition, the Company's board of directors has two female directors, representing 28.57 % of female directors. The age range of directors ranges from their 30s to their 70s. After assessing the business model of the Company and the background and competence of the Directors, the composition of the Board of the Company is in line with the Board Diversity Policy.

Supervisory Committee

The number and composition of the Supervisory Committee of the Company comply with the requirements of laws and regulations. In 2024, the Company held a total of 6 meetings of the Supervisory Committee. Each supervisor attended the Supervisory Committee seriously, actively performed his duties, supervised and expressed his opinions on the Company's major events, related party transactions, financial status, etc.

Compliance Information Disclosure

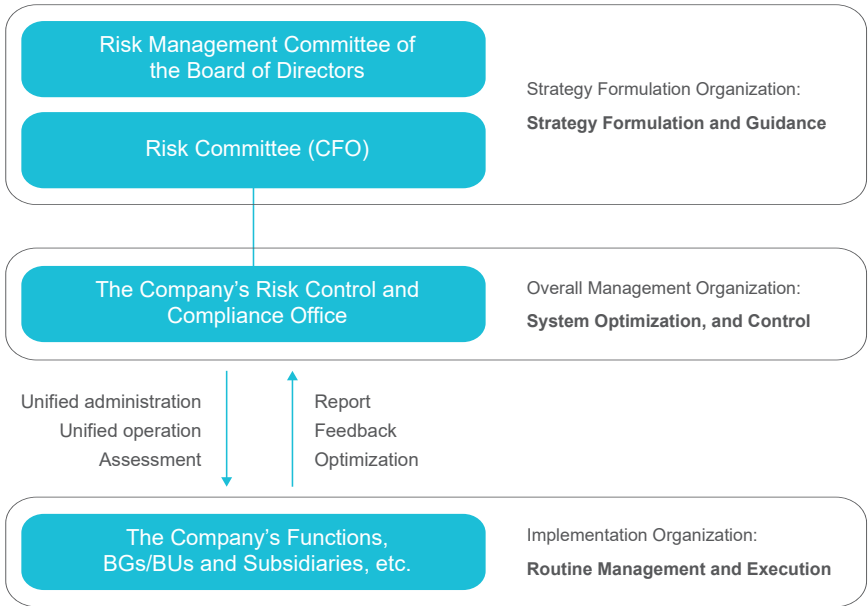
SF has always honestly fulfilled its information disclosure obligations, strictly complied with the regulations and requirements of China Securities Regulatory Commission, Hong Kong Securities and Futures Commission, Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited on information disclosure, as well as the relevant provisions of the *Company's Management System for Information Disclosure*, and further strengthened the collection, feedback, collation and review of material information to ensure the truthfulness, accuracy, completeness and timeliness of the information disclosed.

Strengthen Risk Control Management

SF has established a sound internal control and risk management system to strengthen and standardize the internal management of the Company, continuously improve the effects of risk prevention and control, and promote the sustainable and healthy development of the Company. The Company also actively identifies and assesses environmental, social and governance (ESG) risks in operation and development, and clarifies the response strategies for such risks to effectively reduce operational risks. In 2024, SF passed the ISO 37301 Compliance Management System certification, and the Company's management level in compliance management and risk control was recognized by external professional evaluation.

Risk Management System

SF has established the Risk Management Committee of the Board of Directors, as a specialized risk management organization, which leads the Group's risk control and compliance management direction and guides the Group's risk control and compliance management work on behalf of the Board of Directors. The Risk Committee under the Risk Management Committee of the Board of Directors is a professional decision-making body for overall management and control of risk control and compliance of the Company. It is led by the Chief Financial Officer (CFO) of the Company and is mainly responsible for deliberating and making decisions on the construction, system, process, authorization, prevention and response of major risks of the Company. The Risk Committee reports to the Risk Management Committee of the Board of Directors on a quarterly and annual basis. The Risk Control and Compliance Office of the Company coordinates the management of risk control and compliance; while the leader of each functional department, BG (Business Group), BU (Business Unit) and region has the primary responsibility for the relevant risk control, responsible for the formulation of specific risk control measures and implementation rules, as well as the identification and assessment of daily risks and the implementation of control measures.



SF Risk Management Organization Structure

SF attaches great importance to risk management, establishes and continuously optimizes a comprehensive and efficient risk management system to ensure the steady development of the Company. The Company carries out risk identification work every year. The functional leaders, BG, BU and regional leaders combined the internal and external environmental conditions faced by the business, identify internal management risks (including strategic, operational, financial, market and legal compliance risks) and external environmental risks (including changes in macroeconomic environment, impacts on natural environment, adjustments to national laws and regulations, changes in industry regulatory policies, and evolution of social customs and concepts).

The Risk Control and Compliance Department of the Company is responsible for coordinating risk control and compliance-related management, organizing the first person in charge of risk management to evaluate the probability and impact of risks, and monitoring the risk trend through models, so as to determine the priority of risk management. At the same time, the identified existing and potential risks are summarized and reported to the Risk Committee. The Risk Committee conducts a comprehensive risk assessment of the Company once a year, reviews the Company's annual risk report, and determines the Company's risk appetite and risk response strategies.

The internal audit department of the Company regularly reviews the risk management controls and procedures, and reports the audit results to the Audit Committee of the Group to ensure the comprehensiveness and accuracy of risk assessment and the effectiveness of the risk management processes.


In order to effectively cope with the complex and ever-changing market environment and compliance challenges, the Company obtained the ISO 37301 Compliance Management System certification this year, and introduced an external professional perspective to comprehensively review the risk control and compliance management system of the Company, further confirming that the Company has high risk management capabilities and standards.

Risk Management Practices

SF attaches great importance to risk management and builds a comprehensive and efficient risk management system through a series of measures to ensure the steady development of the Company. The Company actively promotes the Enhancement of digital risk management capabilities, implements Loop-closing management of risk events to enhance the accuracy of risk identification and response, enhances employees' risk awareness and management capabilities through risk training, and incorporates ESG risk management into the risk management framework to cope with the challenges brought by the complex external environment.


Enhancement of Digital Risk Management Capability

SF has continued to strengthen its digital risk management capability by continuously upgrading the Company's risk management system, internal control and compliance system and compliance management system. Through continuous iterative optimization of the systems, SF has achieved the digitization of the entire chain from risk identification, assessment, monitoring, early warning, response, to loop closing, thereby effectively improving the efficiency of risk identification and management.




Risk Management System

Responsible for monitoring risk management and control in priority areas of the Company and managing risk events.



Internal Control and Compliance Platform

Responsible for conducting regular internal control inspections of the Company's business processes and supervising rectification.



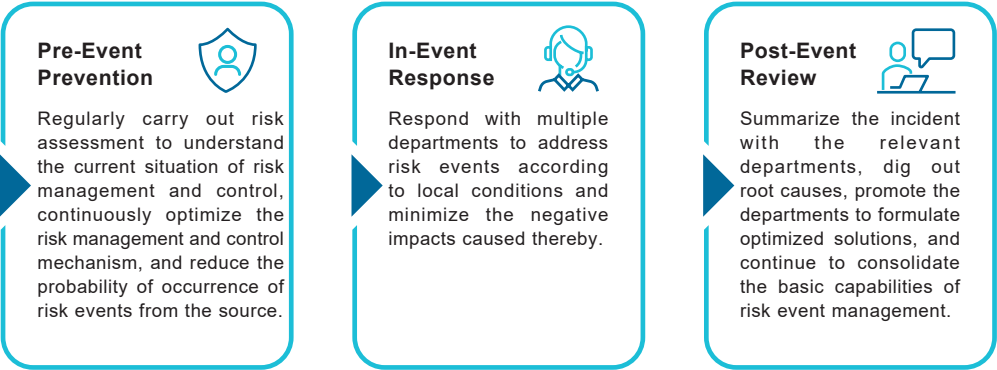
Compliance Management System

Responsible for intelligently capturing and analyzing external regulatory requirements and public opinion information, and monitoring the quality of internalization of external regulations.

In order to further enhance the risk prevention and control capabilities of the Company's overseas business, in 2024, overseas versions of the Company's risk management system and compliance management system were added, realizing online management of overseas risk events, supporting the group to quickly coordinate and respond to risk events, and precipitating risk information to further enhance the ability to resist risks; At the same time, it gradually integrates the laws and regulations of overseas countries and regions to provide integrated support for the collection, precipitation, analysis, sharing and active management of compliance information for overseas markets, ensuring compliance operations and escorting the steady expansion of overseas business. In addition, a multi-dimensional risk board has been added to the risk management system to help business organizations comprehensively and clearly grasp the overall picture of risks and improve the accuracy and efficiency of risk management.

Loop-Closing Management of Risk Events

SF has established a sound risk event management system, which realizes graded risk event management through risk labels, and strengthens the whole-process risk management of pre-event prevention, in-event response and post-event review, so as to enhance the efficiency of risk event management and control.



Based on risk event management, the Company carried out a targeted refresh of the risk scenario and deposited **5** risk response management and control plans in 2024. Based on the summarized response experience of historical risk events, the Company considered medium- and high-risk points into business scenarios to prepare corresponding risk plans, achieving **100%** coverage of medium and high-risk points.

In 2024, the Company continued to improve the risk management system, thoroughly identify potential risks in business operations, cooperate with core business units to carry out a number of special tasks on core risks, and formulate targeted compliance plans to effectively respond to and resolve related risks and improve risk management maturity. At the business regional level, the Company comprehensively used expert assessment, internal risk event analysis, external penalty data and risk model results to accurately carry out special response measures, successfully resolve various risks, and provide a solid guarantee for the stable business operation.

Risk Management Training

SF continues to carry out diversified risk training and empowerment courses, and strengthens employees' risk awareness through offline training, online learning and examination clearance. In 2024, the Company conducted risk compliance training as planned, covering business risks, product and service quality, anti-corruption and other risk areas, and risk-specific training covered all new employees.

In 2024, the Company conducted a total of **36** risk compliance trainings, with a training time of over **88,080** hours, and the coverage rate of special risk training for new employees reached **100%**.

ESG Risk Management

SF regularly carries out the identification and sorting of risk information database, and fully integrates environmental, social and governance risks into the original level 1, 2 and 3 risk level databases. The ESG risk management structure is consistent with SF's risk management organizational structure, with the Risk Management Committee of the Board of Directors as the highest risk management body responsible for the identification, prevention and control of ESG risks.


SF incorporates ESG risks such as intellectual property risks, anti-corruption risks, occupational health and safety risks, human rights and human resources management risks, and environmental risks into the risk management framework, and regularly evaluates and monitors related ESG risks. Among them, environmental risks include climate change transition risks, carbon target management risks, energy use monitoring risks, etc. (For the governance, response measures and targets of climate change risks, please refer to the section headed "Addressing Climate Change")

Abiding by Business Ethics

SF always adheres to compliant operations, abides by business ethics, and adopts a zero-tolerance attitude towards any violation of business ethics. To ensure the effective implementation of business ethics and compliance management, the Board-level committee is responsible for supervising and reviewing important matters related to business ethics and compliance management, and ensuring the effectiveness of the Company's internal control system. The Chief Financial Officer assists the Board in promoting compliance management such as anti-corruption, anti-money laundering and anti-unfair competition; The Chief Audit Officer is responsible for organizing internal audit, monitoring and reviewing internal corruption and other irregularities, and reporting to the Audit Committee of the Board on a regular basis. Relying on this management system, SF actively maintains a free and fair market environment, solidly promotes the construction of an integrity system, and lays a solid foundation for building an integrity management ecology and achieving sustainable development.

Code of Business Ethics

In the face of an increasingly complex global regulatory environment, SF has always adhered to high standards of ethics and integrity, and upheld the philosophy of sustainable and healthy business. In 2024, the Company formulated and issued the Code of Business Conduct, Anti-Corruption Statement and Conflict of Interest Statement, which are applicable to all employees of SF and its companies and branches around the world, urging all employees to strictly demand themselves, respect laws and regulations, respect the system, and work with partners to operate in compliance with integrity.

Code of Business Conduct	Main contents
<p>Code of Business Conduct</p> 	<p>Our employees:</p> <ul style="list-style-type: none">Respect and safeguard human rightsWork safety and healthDiversity and cultural inclusion
	<p>Our commercial activities:</p> <ul style="list-style-type: none">Choose a business partnerRespect and protect personal information and commercial confidential informationIntegrity and anti-corruptionGifts and hospitalityAnti-monopoly and fair competitionAnti-Money laundering and counter-terrorismCompliance with export controls and economic sanctions
	<p>Our Company:</p> <ul style="list-style-type: none">Use and protect company assetsUse and protect information system securityProtection of intellectual property rightsProper use of social mediaAvoid conflicts of interestAccurate records and truthful disclosuresProhibit insider tradingEnvironmental protection and sustainable development
	<p>Anti-Corruption Statement</p> <ul style="list-style-type: none">Anti-corruption guidelinesComplaints and reporting <p>Conflict of Interest Statement</p> <ul style="list-style-type: none">Recusal from officeWork avoidance

Anti-Monopoly and Anti-Unfair Competition

SF always adheres to the principle of fair and free competition, strictly abides by anti-monopoly and anti-unfair competition laws and regulations, formulates anti-monopoly-related management systems, systematically regulates market competition behaviors, and is committed to maintaining an honest, fair and free market order and business environment. In 2024, SF did not have major legal proceedings related to unfair competition and antitrust.

The Company takes active measures in the field of anti-monopoly and anti-unfair competition to ensure the compliance of business activities. In 2024, the Company formulated and issued guidelines related to the review of exclusive clauses to guide employees to identify possible risk clauses in contracts, optimize the contract approval process, strengthen the compliance review process, ensure that contracts comply with relevant provisions of anti-monopoly and competition laws, effectively prevent potential legal risks, and comprehensively build a strong anti-monopoly compliance defense line.

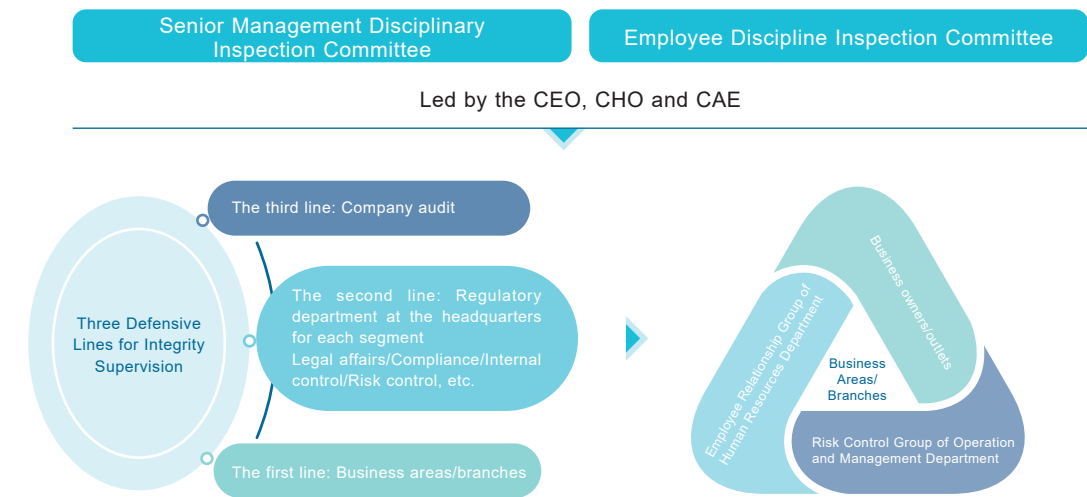
The Company attaches great importance to the construction of anti-monopoly culture, and continuously improves employees' compliance awareness and ability by carrying out multi-level and targeted anti-monopoly training. In addition, the Company specially invited law firms to conduct in-depth interpretation of the latest law enforcement and legislative trends of the anti-monopoly law and the anti-unfair competition law, further consolidate employees' legal awareness, create a cultural atmosphere of fair competition, and provide a solid guarantee for the Company's compliance operations.

Anti-Commercial Bribery and Anti-Corruption

SF integrates bribery and anti-corruption policy into its daily operations, has zero tolerance for any form of corruption, bribery and fraud, and continues to strengthen the Company's ability to control business ethics such as anti-corruption, anti-bribery and anti-money laundering through anti-corruption risk assessment, anti-corruption audit and anti-corruption education. SF has established an internal audit department independent of business lines to monitor the implementation of anti-corruption systems and systems through internal audits. In addition, the Company has established an anti-corruption compliance management committee and a review committee to support the effective implementation of the anti-corruption compliance control mechanism. During the reporting period, SF did not commit corruption, bribery, fraud and other violations of laws and regulations that may have a significant impact on the Company's operations.

Integrity Management System

The Company has established a defensive line for integrity supervision from the Audit Committee of the Board of Directors, the regulatory department at the headquarters to the business areas/branches. Three defensive lines have also been established simultaneously within business areas/branches to achieve an integrity management system that runs through the whole network and all positions of management. In addition, the Company has also set up a Senior Executive Discipline Inspection Committee and an Employee Discipline Inspection Committee led by the Chief Executive Officer (CEO), the Chief Human Resource Officer (CHO), and the Chief Audit Executive (CAE). These committees are respectively responsible for managing the integrity and discipline of senior management and other employees.



SF's Defensive Lines for Integrity Supervision

To create a fair, just and open working atmosphere, SF has also established an anti-corruption system of “no courage, no ability and no intention” to strictly prevent and sternly punish illegal and corrupt behaviors such as bribery, acceptance of bribery, embezzlement, and fraud.



SF “No Courage, No Ability and No Intention” System for Anti-corruption

Anti-Bribery and Anti-Corruption Risk Management

SF has established a systematic anti-corruption risk assessment mechanism to comprehensively identify and assess potential risks in various business areas, formulate targeted response measures, and continuously strengthen anti-corruption risk management. The Company conducts annual reviews on the effectiveness and compliance of internal control to prevent and timely detect bribery and corruption risks, and reports the review results and countermeasures directly to the Audit Committee of the Board. In 2024, the Company further deepened digital anti-fraud research and proactively identify more than 600 abnormal clues in multiple fields, and initiated the “Clean Breeze Campaign” to rectify potential risk points, significantly improving risk prevention and control capabilities and providing a solid guarantee for clean operations.

Anti-Bribery and Anti-Corruption Audit

SF has included anti-corruption in its key audit areas to identify and assess potential risks, so as to ensure the effectiveness of its internal anti-corruption management system, and safeguard the Company's compliance operation. In the past three years, the percentage of all operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted was 100%. In addition, SF conducts third-party external audits every year to independently review the Company's business ethics and sort out and identify potential business ethics-related risks in the Company's operations.

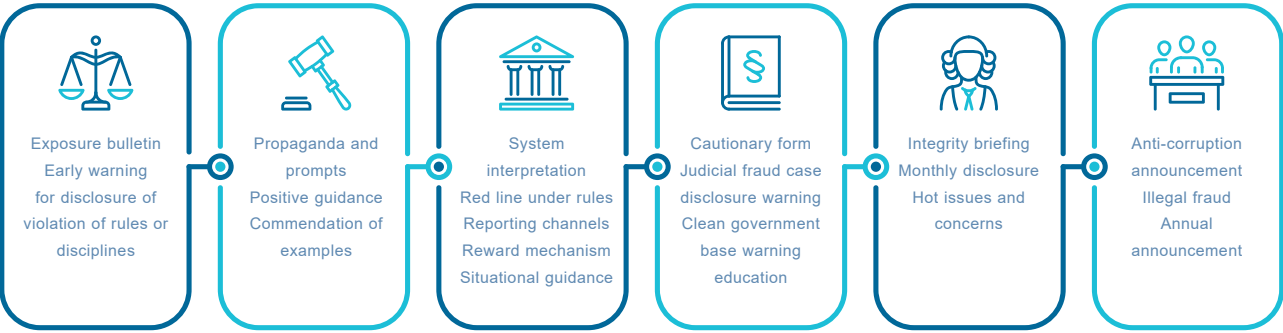
Anti-Bribery and Anti-Corruption Education

SF has formulated the *Employee Handbook* and *Integrity Handbook* to clarify the Company's definition of internal and external integrity behaviors, the definition of violation behaviors and the corresponding penalties, thus providing all employees with a clear and reliable code of conduct, to regulate the behaviors of the employees, and to advocate honest practices. At the same time, the Company actively promotes all employees to sign the *Anti-Corruption Commitment Letter*, strengthens the awareness of integrity and creates a clean and honest culture atmosphere. In 2024, the signing rate of SF practitioners' *Anti-Corruption Commitment Letter* reached 99.5%.

Excerpts from the Anti-Corruption Commitment Letter:

- I will refuse to engage in any bribery, acceptance of bribes, embezzlement and other improper business practices during the tenure of office.
- I will refuse to engage in any behavior that conflicts with the interests of the Company during the tenure of office, unless prior written and explicit intention is obtained from the Company.
- During employment, if any unit or individual related to the business of the Company offers or request any gift to me during the tenure of office, I will refuse and promptly report to the Company.

The Company continues to strengthen the construction of integrity culture, and conducts regular integrity index surveys to gain a comprehensive understanding of the effectiveness of internal integrity construction. At the same time, the Company conducts training on ethical standards to all employees (including part-time employees and contractors) through system interpretation, integrity briefings and anti-corruption announcements, so as to effectively enhance employees' anti-corruption awareness. In 2024, SF adopted a combination of “online cases + offline training” to carry out positive promotion of integrity culture and negative warning of fraud cases, and organized all employees to learn, know and abide by the rules.



SF Anti-Corruption Propaganda and Education

2024 Integrity Training Program

“Integrity Special Training”: A special integrity training with the theme of “Integrity, Responsibility and Concentration of Management” was conducted for key positions and specific functions, covering 274 employees.

“Anti-corruption Case Publicity”: Carry out publicity on typical anti-corruption cases for all employees, promote regional managers to go deep into the front line, present themselves, and convey typical cases to the grassroots at different levels.

In terms of supplier anti-corruption management, the Company formulated and published *the Code of Conduct for Suppliers* this year, advocating all suppliers to establish a sound compliance management structure, formulating and implementing anti-corruption policies, ensuring that they fully comply with SF’s code of conduct and standards, and further consolidating the honest and honest cooperative relationship between the two parties. At the same time, through *the Sunshine Procurement Notification Letter*, the Company clarifies the responsibilities and rights of both parties to jointly build integrity, sets a high-standard business ethics example, and requires cooperative suppliers to sign the *Integrity Agreement* to jointly build an integrity value chain. In addition, the Company pays attention to supplier integrity education, and this year conducted integrity training on “Sunshine Cooperation, Healthy and Win-win” for cooperative suppliers, covering 272 cooperative suppliers.

In 2024, the signing rate of suppliers’ the *Integrity Agreement* reached **100%**.

Whistleblowing Management

SF attaches great importance to whistleblower management and whistleblower protection, and actively creates a safe and credible whistleblower environment. The Company continues to improve the *Reporting Management Measures*, which clearly stipulates the confidentiality requirements of whistleblower information, and any employee who comes into contact with whistleblowing information must strictly fulfill the confidentiality obligation. The Company strictly prohibits retaliation against whistleblowers and clue providers. Violators would be severely dealt with, and those suspected of committing crimes would be held accountable according to law. At the same time, as the first person responsible for the protection of witnesses (including whistleblowers), the heads of organizations must take reasonable measures to ensure that their rights and interests are not infringed, resolutely put an end to any form of retaliation, and effectively protect the rights and interests of whistleblowers.

At the same time, SF introduced the reporting reward mechanism and expanded the reward scope. The Company encourages many people familiar with the matter to actively provide valuable information to the Company, enhance the enthusiasm of employees and external stakeholders to participate in reporting, and provide strong support for maintaining the Company’s good operating environment and business ethics.

In 2024, there were **0** privacy breaches of anonymous whistleblowers in SF.

SF’s the Reporting Management Measures sets out the confidentiality requirements for whistleblower information, including but not limited to the following:

- All personnel who receive information reported shall submit the information to the department in charge of whistleblowing and shall not, at their discretion, disclose the information to other personnel.
- Personnel involved in the follow-up of the report shall not disclose the relevant information to other personnel.
- Investigation results and handling opinions shall not be disclosed prior to the assessment and public announcement of the disciplinary opinions.
- Investigation reports and evidence shall not be disclosed to other personnel at their discretion.

Reporting Channels

SF provides a 7/24 reporting channels for internal and external stakeholders, and encourages employees, suppliers and other stakeholders to report violations of business ethics publicly or anonymously through email, official website, letter, hotline and other channels. At the same time, the Company has established a mutual communication mechanism to understand the plight of employees on business ethics through employee symposiums, internal media and other.

	Reporting channels	Target group
Reporting e-mail	sf5198@sf-express.com	
SF official website	Home-About Us-I want to report (address: https://www.sf-express.com)	External stakeholders and all internal practitioners
Mailing	SF Headquarters – Audit Committee (receipt)	
Forespace APP	Service - I want to report	
Labor union hotline	4006 883 783	All internal employees

For the reported information received, the Company strictly implements the “Triple Ones” (“三個一”) timeliness requirements to ensure quick response and timely handling. After investigation and verification of any violation, the Company would punish the responsible person accordingly according to the severity of the violation; If it is suspected of breaking the law, the person responsible would be handed over to the judicial organ for handling.

“Triple Ones” Requirements:

- Response within one working day: Respond to the whistleblower within one working day upon receipt of the report.
- Case confirmation within one week: Confirm whether a case needs to be filed for investigation within one week upon receipt of the report.
- Completion of the investigation within one month: Complete the investigation of the report and provide the results within one month of confirming the case.

In 2024, SF achieved a **100%** follow-up rate for effective reports and a **97%** compliance rate for the “Triple ones” requirements regarding time-efficient complaint handling.

Protection of Intellectual Property Rights

SF attaches great importance to intellectual property protection, strictly abides by *the Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and other laws and regulations, builds a rigorous and standardized intellectual property management system, implements scientific and effective hierarchical classification and differentiated management, ensures the compliance and orderly use process, effectively protects the Company's intellectual property rights and interests in an all-round and multi-level manner, and builds a solid backing for the Company's continuous innovation and development. In 2024, SF Technology was recognized as the "2024 Shenzhen High-Value Patent Cultivation and Layout Center" for its outstanding performance in the field of intellectual property protection, demonstrating its demonstration and leading role as a key technology enterprise in the industry in intellectual property protection.

In order to stimulate innovation vitality, the Company implements an intellectual property incentive mechanism to encourage employees to actively carry out innovation activities and guide employees to transform innovation achievements into intellectual property rights in a timely manner. The Company held a "World Intellectual Property Day" theme event to commend the patents accepted and authorized in the previous year. Among them, a total of 9 outstanding patents and 16 outstanding inventors won the Intellectual Property Special Contribution Award.

In addition, the Company integrates intellectual property compliance culture into daily information and business processes through knowledge quizzes, special trainings and poster promotions, continuously strengthens employees' awareness of intellectual property protection and compliance risk, and promotes innovation and development.



SF conducts regular training on IP protection

Ensuring Information Security

Information and Network Security Management System

SF strictly abides by national laws, regulations and industry norms, always maintains high alertness to information security and network security risks, and continues to improve the construction of internal information and network security management system.

The Company has established a three-level information security and privacy protection management structure consisting of decision-making level, management level and executive level. The Information Security and Privacy Protection Committee is the highest decision-making organization, responsible for information security and privacy protection decisions, appointments and instructions. The Group's Information Security and Privacy Protection Working Group is set up under the Committee, which is led by the Chief Information Security Officer, to support the Company's information security and privacy protection governance and ensure the efficient operation of the management system.



In accordance with the latest relevant laws, regulations and data protection standards at home and abroad, the Company continuously iterates internal systems and related measures to provide a solid guarantee for information business. In 2024, SF comprehensively revised the *Privacy Data Security Compliance Management Standards* and *the Information Security High-Risk Behavior Management Measures* based on the actual business situation; At the same time, based on data classification and classification, the *Data Lifecycle Security Management Regulations* were added to clarify the security management requirements of different levels of data; In addition, in order to meet the requirements of laws and regulations and internal supervision and inspection, *the Management Standard for Compliance Inspection of Personal Information Protection* was added to guide the compliance inspection of personal information protection.

The Company's information and network security management system has passed ISO 27001 information security management system certification and ISO 27701 privacy information management system certification, covering the Company's main business operation scenarios. In addition, SF Express App has passed the network security level protection level three protection evaluation and CCRC mobile Internet application (App) Android/IOS security certification, providing all-round guarantee for user data security.



ISO 27001 Certification



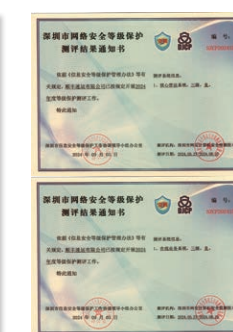
CCRC (Andriod) Certificate



CCRC (IOS) Certificate



ISO 27701 Certification



Level 3 network guarantee letter (core operation and online business)

Maintaining Network and Data Security

SF continues to invest in building network and data security capabilities to provide users with safe, stable and reliable products and services, ensure the continuity of business systems, and meet regulatory compliance requirements. By regularly conducting network security vulnerability detection and actual combat exercises, the Company continuously improves its security defense capabilities to ensure that it can respond quickly and effectively to potential threats. In order to regulate employee behavior, SF clarifies the high-risk behaviors of internal information and network security, formulates the principles of punishment for violations, and effectively protects user data from unauthorized access or malicious attacks.

In terms of user privacy protection, SF strictly follows the latest laws and regulations at home and abroad, and regulates the collection, use, sharing and retention of user privacy data. The Company adheres to the principle of "minimization" of data collection, collects and processes user data only within the necessary scope, and obtains user consent in a legal and transparent way to effectively protect the security and privacy of user data.

In order to further improve data security management, SF regularly conducts data security audits, comprehensively assesses internal and external data security risks according to the latest regulatory requirements, and continuously improves the information and network security management system according to the evaluation results. In 2024, the Company did not have major data security incidents.

In 2024, SF conducted multiple third-party data security due diligence investigations. The investigation areas include qualifications and certification, information security policies, human resource security, physical security, network security, log auditing, host security, application security, terminal security, compliance, data and privacy protection and other fields. There was no material non-compliance in the third-party data security due diligence this year, which fully demonstrated SF's excellent practices in data security and privacy protection.

Assessment of Graded Protection:

The security compliance of information systems is monitored and assessed based on national and industry standards and specifications. This assessment enables the Company to gain a timely understanding of the security protection status of information systems and to assess their security protection capabilities. In addition, targeted corrective actions can be proposed for any identified security issues and potential risks.

Internal Audit of the Management System:

Conduct internal audits of the data security management system in accordance with system standards such as ISO 27001 and ISO 27701. The management system is audited from three aspects: compliance, applicability, and sufficiency, and any problems found are rectified in a timely manner. In 2024, SF carried out one information security internal audit, effectively ensuring the reliability of the company's information and network security system.

Security Response Center (SRC):

The SF SRC is designed to enable potential internal risks to be identified externally and remediated in a timely manner, and to reward users who discover security vulnerabilities in the systems and operations.

SF Data Security Risk Management

Personal Information Protection

SF attaches great importance to the protection of customers' personal information security. Based on laws, regulations and industry best practices, SF has built a comprehensive privacy protection management system, formulated and continuously improved a personal information security and compliance system covering the entire life cycle of data, and ensured personal privacy protection work carried out in an orderly manner. In order to implement the protection of personal information, the Company has taken diversified measures covering the entire digital life cycle to effectively protect customers' privacy and security with a responsible attitude. In 2024, there were no major personal information security incidents in SF.

Strengthening the Technical Foundation of Privacy Protection

SF keeps improving its data security technology capabilities, including unified privilege management platforms, automated encryption/decryption platforms, log management and analysis tools, and personal data desensitization. The aim of these efforts is to protect users' personal information from unauthorized access, manipulation, disclosure, corruption or loss.

Personal Data Lifecycle Security Management

Under the data lifecycle theory, the personal information involved in the business activities is subject to classification and grading management. SF takes protective measures such as encryption, de-identification, and access control during the data collection, transmission, use, and storage processes, depending on the sensitivity of the data and the principle of minimum necessary rule. These measures aim to effectively protect personal information security.

Security Incident Detection and Response

SF uses a security incident investigation and response platform to monitor both internal and external threat signals targeting sensitive data in real time. This platform allows for immediate identification of abnormal operations and high-risk behaviors that may pose the risk of personal information leakage. Once an abnormality is identified, the Company immediately launches an investigation and takes measures to minimize the risk of personal information leakage at the source.

Mechanism for Responding to Personal Information Rights

SF has established a personal information rights request response mechanism. Before collecting and processing users' personal data in its business, it timely informs users of their personal information rights and other relevant information through means such as providing privacy agreement check boxes and device pop - up windows. It also responds to users' rights - exercise requests within the time limits required by law.

Privacy Waybill Protection

SF desensitizes the fields on the express waybill that contain users' personal information, namely the names, contact and address details of the sender and recipient. In addition, delivery personnel and customer service representatives communicate with customers using virtual phone numbers. This effective management of the risks associated with data sharing enhances users' privacy experience.

Measures to Protect Personal Information

Construction of Information Security Culture

Protecting information security is the common responsibility of all SF employees. In order to strengthen information and network security management capabilities, the Company has taken multiple measures to comprehensively enhance all employees' awareness of information security through network offensive and defensive drills and information security training, and enhance information security and personal information protection capabilities.

Network Attack and Defense Drill

In order to continuously improve the Company's network security protection capabilities and emergency response capabilities, SF organizes red-blue confrontation drills every year. By simulating various classic scenarios of external network security attacks, SF constantly discovers its own network security defense weaknesses during the red-blue drills and reviews and improves them, comprehensively improves the security team's collaborative combat capabilities and emergency response capabilities, and consolidates the Company's data security capabilities.

In 2024, the Company carried out multiple actual combat red and blue drills in stages. Through the collaboration of internal and external security teams, it simulated real attack behaviors such as phishing attacks and vulnerability attacks, covering various typical scenarios of network security and data security confrontation, and comprehensively verified the effectiveness of the Company's security operation system.

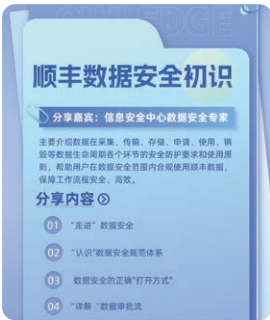
Information Security Training

In order to enhance employees' awareness and ability of information security, SF conducts information security thematic training for all employees every year. In 2024, the Company carried out 19 network security technology sharing activities and 23 security awareness promotion activities, covering all employees, with a cumulative training time of more than 1,300 hours, which significantly improved employees' information security protection awareness and execution and disposal capabilities.

In 2024, SF carried out **19** network security technology sharing activities and **23** security awareness promotion activities, covering all employees, with a cumulative training time of more than **1,300** hours.

Special training empowerment, focusing on data security

In 2024, SF conducted special training for key industry and research personnel, security personnel, and legal compliance personnel with the theme of basic cross-border legal knowledge and strategies, data security strategies, etc., aiming to enhance employees' awareness of data protection and strengthen data security management. Through in-depth study of training courses, employees have a clearer understanding of cross-border data legal knowledge requirements and internal data security policies, which helps to strictly implement security policies in daily work, effectively reduce data security risks, and protect the Company's data security.



SF regularly conducts information security themed training sessions annually

Environment

Pioneering Low-Carbon Logistics to Power a Green Transformation

The logistics system plays a leading, fundamental and strategic role in building a modern economic system. Building a green, low-carbon and efficient logistics and transportation system has become an inevitable choice for the industry to achieve long-term development. As an enterprise with a sense of social responsibility, SF actively responds to the national strategy of "Carbon Peaking and Carbon Neutrality", relies on technological innovation, deeply promotes energy conservation and carbon reduction practices in logistics, warehousing management, packaging materials to create an industry-leading green logistics supply chain model. By extending green value to the industrial chain, SF builds a low-carbon and efficient bridge between the production end and the consumer end, and joins hands with the upstream and downstream value chains to move towards a sustainable future.

- 🔄 Creating Green Logistics
- 🔄 Promoting Circular Economy
- 🔄 Practice Green Operation
- 🔄 Safeguarding Ecological Environments
- 🔄 Addressing Climate Change


Creating Green Logistics

With the goal of protecting the environment, saving energy and reducing emissions, SF constantly improves its environmental management system, and achieves green management covering the entire life cycle of logistics by steadily promoting low-carbon transportation, building a green industrial park, developing sustainable packaging and actively exploring the application of green technology, and actively creating green and sustainable logistics.

In 2024, SF reduced greenhouse gas emissions by 2,972,306 tCO₂e.

Carbon Reduction Direction

Carbon Reduction Initiatives




Green Transportation

Green Ground Transportation

- Optimize the transportation capacity structure and increase the proportion of new energy vehicles.
- Increase vehicle loading capacity and replace vehicles with high axle count.
- Phase out high fuel-consumption vehicles and reduce energy consumption and pollution.
- Pilot operation of new energy vehicles such as methanol, liquefied natural gas (LNG), compressed natural gas (CNG) and hydrogen fuel.


Green Aviation

- Applying Sustainable Aviation Fuel (SAF).
- Increase the proportion of large cargo aircraft with low energy consumption and high energy efficiency.
- Application of aviation fuel-saving technology (international routes redispach, straight route selection).
- Increase the proportion of new energy vehicles in aviation bases.




Green Industrial Park

- Accelerate the progress of photovoltaic construction in industrial parks and increase the proportion of clean energy use.
- Promote the transformation of energy-saving equipment such as park lighting optimization and intelligent electric box deployment.
- Implement intelligent energy monitoring and management to promote the process of refined energy management.




Green Packaging

- Fully implement packaging plastic reduction, recycling, harmlessness and standardization.



Technology Innovation

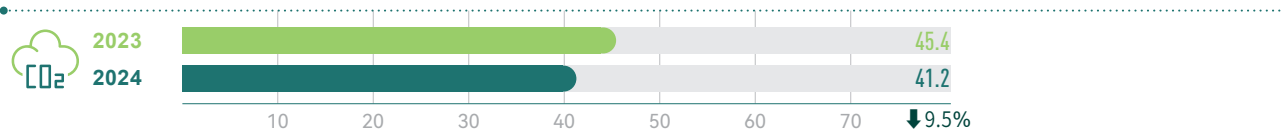
- Digital and intelligent carbon management: based on standardized carbon management capabilities, developed the industry's first shipment-level carbon calculation model.
- Intelligent path planning: optimize transportation routes and reduce transportation energy consumption.
- Smart packing algorithm: Improve loading rate and reduce packaging material consumption.
- Promote digital tool processes such as electronic receipt, photo return, and paperless reimbursement.



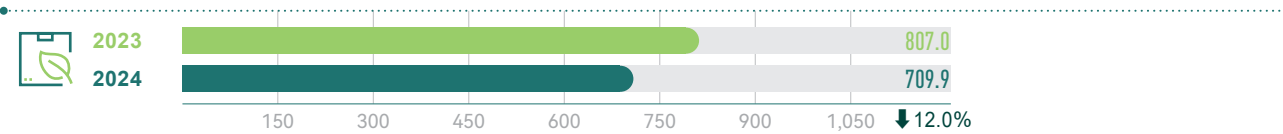
SF Forest

- Planting more than 1,647 acres of carbon-neutral forests in Hebei and Sichuan.

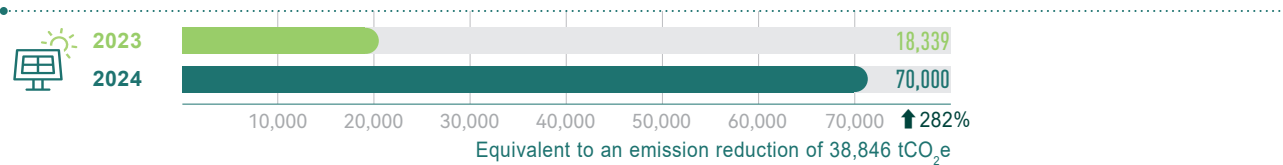
GHG emission intensity (tCO₂e/million revenue)



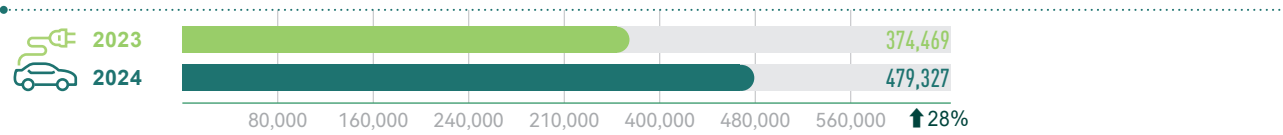
Carbon footprint per parcel (gCO₂e/parcel)



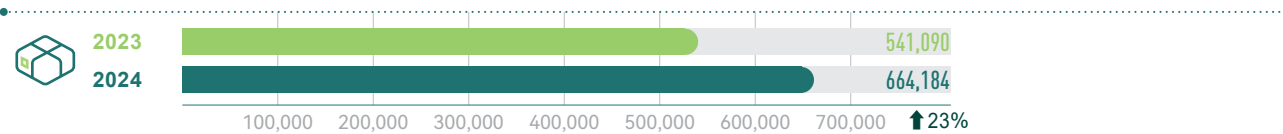
Photovoltaic power generation (MWh)



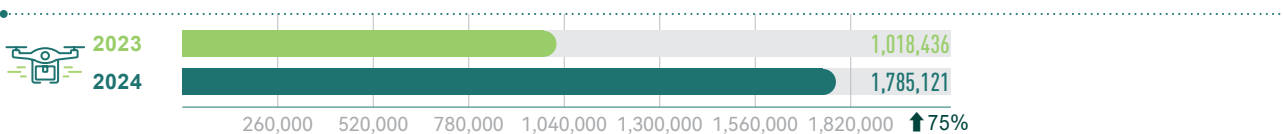
GHG emissions reduced through green transportation (tCO₂e)



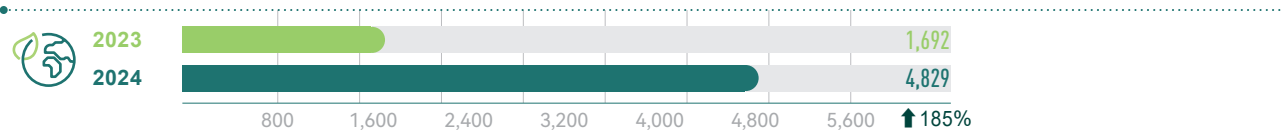
GHG emissions reduced through green packaging (tCO₂e)



GHG emissions reduced through technology innovation (tCO₂e)



Emission reductions contributed by other initiatives (tCO₂e) (including “SF Forest”)



Promoting Low-Carbon Transportation

With a core focus on green and sustainable development, SF deeply integrates low-carbon concepts into daily operations and management practices, continues to consolidate the foundation of green technology, actively explores and promotes a variety of low-carbon transportation modes, vigorously promotes the application of green logistics scenarios, and builds a sustainable logistics system. This provides a solid support for building a sustainable logistics system, achieving harmonious development between corporate value growth and environmental protection, and setting a benchmark for the industry's green transformation.

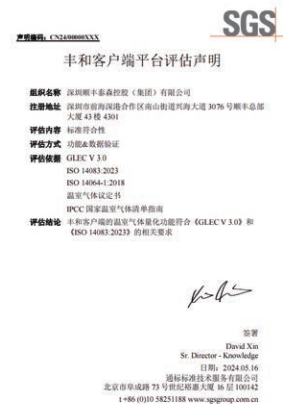
Refining Carbon Footprint Management

Since SF officially released the carbon target white paper in 2021, it has been committed to building an integrated green and low-carbon supply chain service capability, and reducing the impact of greenhouse gases on the environment through carbon emission management in all aspects of the industrial chain. Relying on the industry-leading technological innovation capabilities, the Company has built a standardized carbon management system, independently developed the industry's first full-link logistics carbon footprint management platform-"Fenghe Sustainable Development Platform" (hereinafter referred to as "Fenghe Platform"), and integrated the Company's carbon emission and carbon emission reduction data, covering multiple links such as packaging, transportation, transit, delivery.

In 2024, SF empowers refined carbon management capabilities to the upstream and downstream of the industrial chain, and launch Fenghe SaaS services to help customers quantify and track greenhouse gases in multiple scenarios such as supply chain logistics and transportation, site energy consumption, and packaging material use., disclosure and certification. At the same time, many core functions of the platform, such as visual dashboard, refined carbon data reports, transportation carbon calculators, carbon diagnosis and carbon planning capabilities, have been comprehensively upgraded. With its standardized carbon management system and refined carbon calculation capabilities, Fenghe Platform has passed GLEC V3.0 and ISO 14083 international standard verification, becoming the first enterprise in the express delivery industry to obtain this certification.

Based on a standardized carbon management system and refined carbon calculation capabilities, coupled with leading logistics industry experience, SF has reached deep into various industries such as new energy, high technology, clothing, shoes and hats, consumer goods, and luxury goods. As of the end of 2024, it has provided customized green and low-carbon supply chain solutions and services to more than 60 world-renowned customers, deeply empowered upstream and downstream partners in the industry chain, worked with customers to accelerate low-carbon transformation, and jointly promoted the industry towards a zero-carbon future.

Relying on the Fenghe Platform, SF has achieved refined management of logistics carbon footprint in all scenarios such as waybills, venues, and packaging, covering **140** scenarios, **273** indicators, and **27** accounting models in the supply chain.



Fenghe Platform obtained ISO 14083 Certification

Helped a leading global luxury goods brand launch the "supply chain-level sustainable dual innovation" action in China

In March 2024, SF signed a letter of intent for "supply chain-level full-link sustainable strategic services" with a leading global luxury brand to jointly launch the "supply chain-level sustainable dual innovation" action. The purpose of this cooperation is to actively synchronize the accurate carbon information in the supply chain service scenario between brand owners and logistics providers, optimize the transportation mode of upstream and downstream logistics providers of brand owners, support their supply chain greenhouse gas emission reduction and offset actions, and reduce the company's environmental protection compliance costs and climate risks in operations, and enhance the green and low-carbon operational resilience of the entire logistics supply chain.

The collaboration will lead to two sustainable innovation projects:

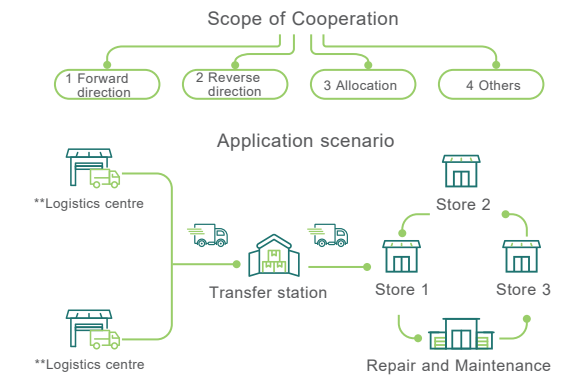
Climate innovation
quantify the climate impact of each link and track the climate contribution of green scenarios, including full-link transportation carbon footprint calculation, full-link storage carbon footprint calculation and full-link sustainable performance management.

Circular innovation
quantify the climate impact of material waste, track the contribution of circular economy under the closed-loop material recycling model, including carbon footprint measurement on the material recycling side, and targeted recycling performance management.

This cooperation will accelerate the green and low-carbon transformation of the fashion industry supply chain, and provide valuable industry practical experience and contributions to the achievement of China's supply chain goals of "Carbon Peaking and Carbon Neutrality".

Collaborated with Luxury Brand Clients to Create a Benchmark Project For "100% Green Urban Distribution"

To address the luxury brand client's needs and pain points such as online integration of orders across multiple scenarios, traceability of logistics data across multiple links, and comparison and aggregation of carbon emission data under different transportation capacities, SF has provided digital and green solutions. It has explored a green commercial service model for urban distribution, helping the brand client to achieve cost improvement in the supply chain, diversification of scenarios, and carbon emission performance improvement, and jointly created the best benchmark project for "100% Green Urban Distribution" with the client.



Green Ground Transportation

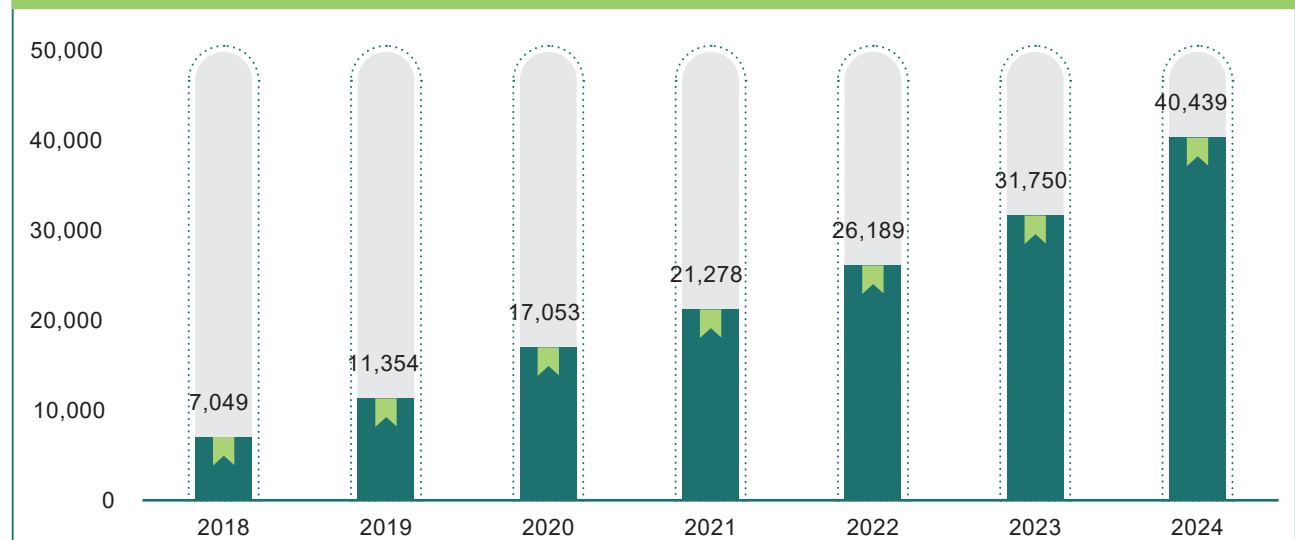
Road transportation is one of the important carbon-emitting links in logistics operations. In order to promote the all-round development of green land transportation, the Company continues to increase the launch of new energy vehicles, optimize the selection criteria of fuel vehicles, and empower vehicle energy consumption management and transportation route optimization through scientific and technological means, significantly reducing the air pollution and greenhouse gas emissions during ground transportation.

Optimization of Transport Capacity Structure

SF has steadily expanded the scale of its green fleet by adopting various methods such as self-purchase and leasing, gradually replaced traditional fuel transportation vehicles, and orderly promoted the green transformation and upgrading of its transportation capacity structure. In 2024, the company added nearly 9,000 new energy vehicles into operation, mainly used in diversified transportation scenarios such as short-distance branch lines, connections and terminal collection and dispatch within cities, as well as primary and secondary trunk lines across provinces and cities. As of the end of the reporting period, more than 40,000 new energy vehicles have been placed in service, with a service coverage of 253 cities.

Over **40,000** new energy vehicles in use, covering **253** cities.

Number of SF's Self-owned and Leased New-energy Powered Vehicles from 2018 to 2024



At the same time, SF actively explores large-scale deployment and efficient operation strategies of renewable energy vehicles. It conducts a comprehensive assessment based on multiple factors, including technological development trends, technological maturity, the completeness of energy replenishment infrastructure, and the technical compatibility and economic feasibility in actual operation scenarios. SF has launched pilot operations of new energy vehicles, such as methanol, liquefied natural gas (LNG), compressed natural gas (CNG), and hydrogen fuel vehicles, in some areas and routes. In order to ensure that the performance and operating benefits of new energy vehicles are fully verified, in 2024, the Company piloted the deployment of 10 LNG vehicles, 5 CNG vehicles and 5 methanol vehicles in Shandong, Henan and other provinces. This initiative provides data support and decision-making basis for the Company's subsequent large-scale new energy vehicle launch plans. In addition, the number of LNG vehicles put into operation by the Company through the co-construction fleet collaborative operation model has exceeded 300, further accelerating the green and low-carbon transformation of logistics and transportation.

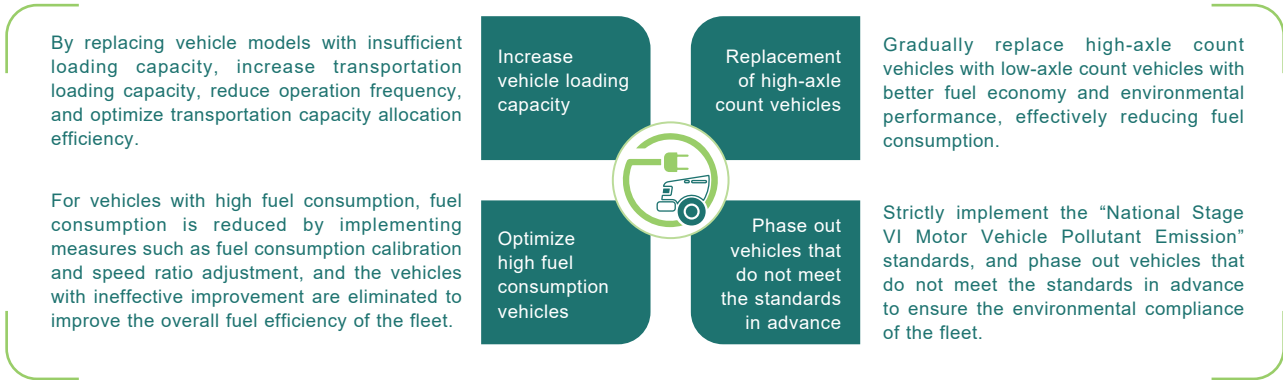
Vehicle Energy Replenishment Management

In order to achieve accurate assessment and refined management of the energy efficiency of new energy vehicles, SF continues to optimize the new energy vehicle system management platform, analyzes and formulates more targeted, scientific and reasonable new energy vehicle energy management strategies, and significantly Improve vehicle operating efficiency and energy efficiency.

With the widespread application of new energy vehicles in logistics transportation, their mileage and usage frequency continue to grow, leading to a significant increase in energy replenishment demands. To better meet the energy replenishment and charging needs of new energy vehicles, SF integrates its own electric charging pile resources and actively collaborates with third-party charging service providers. By pooling resources from multiple parties, it continuously optimizes the vehicle energy replenishment network. In 2024, all the newly self-built charging piles of the Company have been connected to the charging platform system. While obtaining the real-time charging energy data of new energy vehicles, it also provides them with convenient and efficient charging service solutions.

Fuel Vehicle Replacement

SF comprehensively considers multi-dimensional factors of fuel-powered vehicles, such as the service life, mileage, loading rate, and exhaust emissions. For vehicles that do not meet the concepts of efficient and green operations as well as strict environmental standards, the Company formulates detailed plans for phasing them out and steadily advances the phase-out process. In terms of fuel vehicle selection and replacement optimization, the Company comprehensively improved fuel efficiency and reduced the impact of exhaust emissions on the environment by upgrading vehicle loading capacity, replacing high axle number vehicles and optimizing high fuel consumption vehicles. In 2024, SF replaced more than 1,300 traditional fuel vehicles.



Vehicle Fuel Consumption Control

SF adopts a dual-pronged strategy of management empowerment and implementation of initiatives. The Company continuously enhances the fuel consumption control capabilities of its fuel-powered fleet through digital means, effectively reducing fuel consumption. At the management level, the Company formulated and implemented the *Lump-sum Fuel Consumption Plan for Commercial Vehicles*, scientifically set fuel consumption standards and targets according to different business scenarios, and refined reward and penalty rules to achieve efficient utilization of fuel and effective control of transportation costs. Meanwhile, the vehicle fuel system is applied to monitor the achievement of fuel consumption targets in real time, and continuously improve fuel management efficiency.

In order to ensure the effective implementation of fuel consumption control measures, the Company uses the intelligent fuel consumption management platform to comprehensively and accurately manage vehicle fuel consumption from multiple dimensions such as measured fuel consumption and driving behavior norms, and rectifies abnormal high fuel consumption situations. In addition, SF regularly conducts drivers' fuel consumption control and energy conservation and emission reduction training, launches self-operated vehicle fuel consumption control courses, and provides targeted training based on the actual needs of various regions to comprehensively improve drivers' awareness and skills of fuel saving.



Transportation Routes Optimization

SF comprehensively considers key elements such as express timeliness and transportation distance in ground transportation, and relies on intelligent algorithm models to plan the optimal route for cargo transportation. Through full-process monitoring and optimization measures such as pre-transportation planning and early warning, automated early warning and intervention during transportation, post-transportation tidal analysis and overtime processing, the Company can identify road congestion sections in advance, optimize transportation routes in an all-round way, and significantly improve transportation timeliness. At the same time, SF uses powerful data analysis capabilities and deep learning technology to accurately match and scientifically schedule freight routes and transportation resources to achieve the best combination of vehicles and goods, effectively reduce resource idleness and waste, and comprehensively improve transportation efficiency.

Special Topic

Multimodal Transport Empowers High-Quality Development of Green Logistics

As one of the important directions for the development of green logistics, multimodal transport is characterized by high resource utilization and is green and low-carbon. By integrating railways, highways, waterways, aviation and other transportation modes, it can achieve optimal allocation and efficient utilization of resources. While improving quality and efficiency, it creates significant economic and environmental benefits. As an industry leader, SF actively works with industrial chain partners to explore multimodal transport modes such as "road-to-rail" and "air-rail-subway intermodal transport" to create green logistics solutions and help build a safe, convenient, efficient, green and economical modern logistics system.



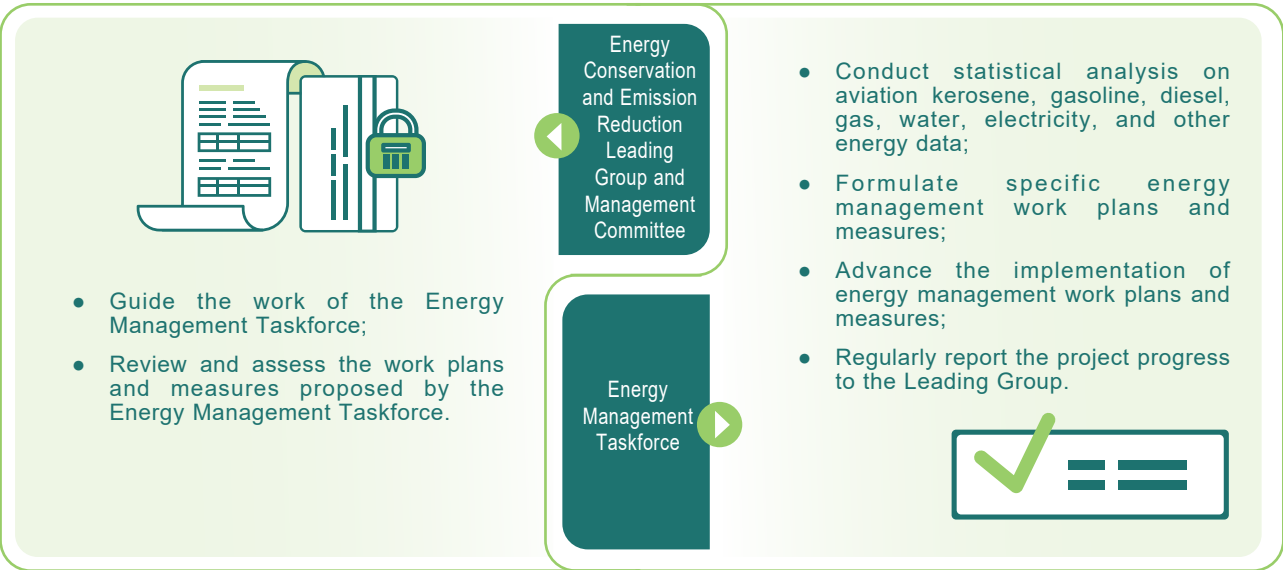
SF uses the Country's first express e-commerce "road-to-rail" container multimodal train to carry parcels

Facing the continuous growth of express delivery business in the central and western regions, SF continues to explore new ways to reduce logistics costs and improve service quality on the basis of the existing air and ground transportation networks. In 2024, SF cooperated with China Railway Container Transport Corp., Ltd Xi'an Branch Company to innovatively launch the "railway + express delivery" integration model and successfully launched a container multimodal transport train from Xi'an to Urumqi. From its first launch on March 26, 2024 to December 31, 2024, SF has shipped a total of 3,908 boxes and 7,816 TEU goods through this multimodal train, with a total shipment weight of 38,015 tons, equivalent to the transportation volume of 2,000 17-meter road vans. Compared with traditional road transportation, railway transportation has significant advantages in terms of green and low-carbon. By transferring a large amount of goods from road to railway transportation, it effectively reduces dependence on high-carbon emission road transportation and further optimizes the transportation structure.

Green Aviation

SF Airlines actively implements the concept of “double control” of total energy consumption and energy consumption intensity, and steadily promotes the construction of green aviation. Starting from top-level design, the Company builds a scientific energy management structure, clarifies the responsibilities of each department, and ensures the efficient development of energy management. Additionally, the Company continues to introduce advanced management concepts and technical means, optimize the energy management system, comprehensively promote energy conservation and emission reduction in air transportation, penetrate energy conservation and carbon reduction into each aspect of flight operation, and set a benchmark for the green transformation of the industry.

SF’s Airlines Energy Management Structure



SF Airlines continues to improve its energy management system and has obtained certifications of ISO 50001 Energy Management System and RB/T 104-2013 Energy Management Systems for Transport Industry Enterprises, laying a solid foundation for the refined and standardized development of energy management. In order to ensure the authenticity and reliability of air transport carbon emission data and meet the carbon emission monitoring requirements of regulatory agencies, SF Airlines invites third-party verification agencies to strictly verify greenhouse gas emission data every year and issue authoritative verification reports. In 2024, SF Aviation successfully passed the annual carbon emission verification of the Civil Aviation Administration of China and the Ministry of Ecology and Environment, and actively carried out energy conservation supervision work to tap energy conservation potential and continue to improve energy utilization efficiency.

SF Airlines has always taken low energy consumption and sustainable operation as its core goals, and is committed to actively implementing the concept of green aviation through strategies such as optimizing aircraft model composition, applying fuel-saving technology, and strengthening aviation fuel monitoring, setting an example for the green development of the industry.

Optimize Aircraft Model Mix

SF continues to build a “green fleet” with low energy consumption and high efficiency, actively introduces large all-cargo aircraft such as 747 and 767, and increases the proportion of wide-body cargo aircraft gradually. Compared with the traditional 737 model, the newly introduced large cargo aircraft shows higher carbon emission efficiency and lower fuel consumption per ton of load under full load. As of the end of 2024, SF had a total of 89 owned cargo aircraft.



B747 model

Maximum operating load: approximately 115t
Fuselage length: 70.6m
Fully loaded range: 11,000km



B767 model

Maximum operating load: approximately 56t
Fuselage length: 54.9m
Fully loaded range: 6,000km



B757 model

Maximum operating load: approximately 30t
Fuselage length: 47.33m
Fully loaded range: 5,000km



B737 model

Maximum operating load: approximately 14t/16t/23.9t
Fuselage length: 33.4m/36.45m/39.5m
Fully loaded range: 3,500km/4,204km/3,750km

Application of Fuel-Saving Technology

SF Airlines continues to explore and optimize fuel-saving technologies in the field of air transportation. A series of innovative fuel-saving measures such as optimizing flight altitude, refining load management, dynamically allocation of aircraft models based on payload forecast, redispatch⁸, straight route selection, and Auxiliary Power Units (APU) shutdown in a timely manner to reduce aviation fuel consumption.

International Routes Redispatch

On the premise of ensuring flight safety, SF Airlines can precisely reduce the amount of fuel for take-off by implementing a redispatch strategy on international routes, thereby increasing the business payload of the flight. In 2024, SF saved approximately **1,235** tons of aviation fuel and reduced carbon dioxide emissions by **3,745** tCO₂e through redispatch.

Straight Route Selection

By optimizing the flight route, unnecessary detours and turns are reduced, the flight distance is further shortened, and fuel consumption is reduced. In 2024, SF saved approximately **1,920** tons of aviation fuel and reduce carbon dioxide emissions by approximately **5,822** tCO₂e through straight route selection.

⁸ Under the premise of ensuring the safe and normal operation of flights, SF Airlines rationally utilizes international route fuel policies and implements redispatch strategies for flights to reduce aircraft refueling and lower fuel consumption.

Strengthen Fuel Monitoring

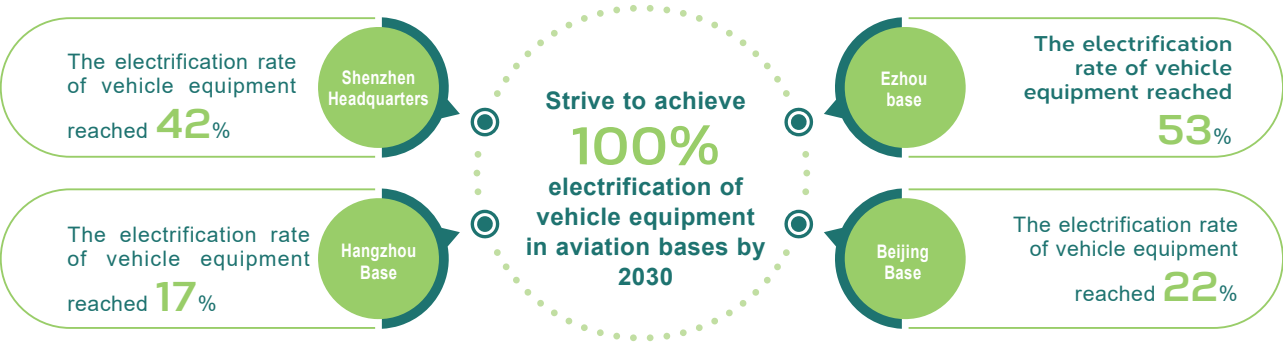
The Company continues to improve the online fuel management system, dynamically monitors and manages the jet fuel consumption of each flight, and improves fuel usage efficiency. At present, key fuel-saving indicators such as international routes redispach, straight route selection have been fully integrated into the system, realizing the full tracking and monitoring of fuel data from takeoff to landing. In 2024, SF Airlines upgraded its fuel management system, added profile optimization functions, and intelligently adjust flight trajectory and speed with the help of advanced algorithms to achieve comprehensive optimization of fuel consumption, flight time and emissions. Since the profile batch optimization function was put into use, the profile optimization of more than 40 routes has been successfully completed, and the planned fuel consumption forecast has become more accurate, injecting strong impetus into the development of green aviation.

Upgrade Fuel-Saving Incentives

In order to encourage pilots and dispatchers to actively practice energy conservation and emission reduction while ensuring safety, SF Airlines has set up a flight landing fuel assessment system. Relying on the online fuel management system, the Company developed an evaluation system for landing remaining oil index, count fuel savings and rankings every quarter, and award rewards to those with excellent landing remaining oil control, so as to more accurately measure and motivate energy-saving performance and achieve the effect of energy conservation and emission reduction.

Optimize Ground Fleet

In order to achieve the goal of “100% electrification rate of vehicle equipment in aviation bases by 2030”, the Company gradually phases out diesel and gasoline vehicle equipment in aviation bases, and actively introduces new energy special vehicles, including conveyor belt vehicles, lifting platform vehicles and tractors, etc., to accelerate the development of electrification of ground fleet. In 2024, the Company continues to increase the purchase of new energy vehicle equipment and steadily improve the electrification level of vehicle equipment.



Progress of vehicle equipment electrification at various aviation bases in 2024

Strict Prevention and Control of Pollution

SF Airlines strictly implements pollutant emission control and noise pollution control. In terms of pollutant emission control, the Company has formulated and implemented internal operation management standards for waste engine oil generated during aircraft maintenance, and clarified the disposal procedures and requirements for waste fuel, hydraulic oil and lubricating oil. At the same time, the Company actively explores ground operation optimization solutions, replacing traditional fuel APUs by promoting Ground Power Units (GPUs) supplies, and optimizing aircraft taxiing paths to reduce the inefficient operation time of aircraft engines and effectively reduce exhaust emissions. In terms of noise control, the Company has also adopted a series of effective noise reduction measures, continuously optimized the take-off and landing procedures, departure flight procedures and cargo aircraft departure strategies, and reduced the impact of aircraft noise on the surrounding environment by reducing engine thrust, adopting various technical means such as Continuous Descent Approach (CDA), and regularly carrying out noise monitoring work.

Special Topic

SF Achieved the First Commercial Trial Flight of a Domestic All-cargo Aircraft Using Sustainable Aviation Fuel

Air transportation is one of the key areas for the transportation industry to achieve the national “Carbon Peaking and Carbon Neutrality” goal, and its emission reduction process has attracted much attention. Sustainable Aviation Fuel (SAF), as a direct-use liquid fuel alternative, can reduce carbon emissions by up to 85% compared to traditional aviation fuel. At present, the SAF of the latest HEFA (Hydroprocessed Esters and Fatty Acids) can be mixed with traditional aviation kerosene at a 50% ratio without the need for large-scale modification of existing aircraft engines or infrastructure, bringing new possibilities and prospects for air transportation emissions reduction.

In the context of the world’s active response to climate change and promoting the green transformation of the aviation industry, SF actively participates in the exploration and innovation in the field of green aviation, and works with partners to conduct in-depth research on the applicability and feasibility of SAF, and deeply explore the potential value and emission reduction opportunities of SAF applications. In September 2024, SF Airlines was invited to participate in the sustainable aviation fuel application pilot project seminar held by the National Development and Reform Commission and the Civil Aviation Administration of China to respond to the global 1.5 °C climate strategic goal and accelerate the localized demonstration, promotion and application of sustainable aviation fuel scale. After months of hard work and preparation, on December 19, 2024, an SF Airlines B737 all-cargo aircraft refueled with SAF successfully completed its first commercial flight with sustainable aviation fuel. The refueled domestically produced SAF can be achieved under full life cycle scenarios. With 1,600 kilograms of carbon emissions reduced, SF Airlines has also become the first cargo airline to use SAF for autonomous commercial flights of all-cargo aircraft on domestic flights. In addition, the flight also offsets the carbon emissions generated during the combustion of aviation fuel by purchasing sufficient Verified Carbon Units (VCUs), becoming the first all-cargo flight in the country to achieve carbon neutrality, providing a practical basis for the sustainable development of the air cargo industry.



SF Airlines' first trial flight using SAF

Building Green Industrial Park

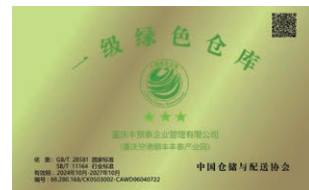
SF actively builds a green and low-carbon industrial park, focusing on green infrastructure construction and carbon reduction technology innovation, and promoting the green operation of the industrial park from many aspects such as planning and design, warehouse construction, and operation management. Through various methods such as installing roof photovoltaics, introducing intelligent water and electricity management, and optimizing warehouse space layout, the efficiency and energy-saving benefits of the transit link are comprehensively improved, and the impact of the transit link on the environment is reduced. As at the end of the reporting period, SF Changsha, Foshan, Wuhu, Wuhan, Chongqing and Jinhua industrial parks were awarded the “Class I 3-Star Green Warehouse” certification by China Warehousing and Distribution Association, Guizhou Industrial Park was awarded the “Guizhou Province Green Logistics Park” certification, and Shunxinhui Hubei Logistics Center achieving phase-one carbon neutrality certification.



Green Warehouse Certification (Wuhu)



Green Warehouse Certification (Wuhan)



Green Warehouse Certification (Chongqing)



Green Warehouse Certification (Jinhua)



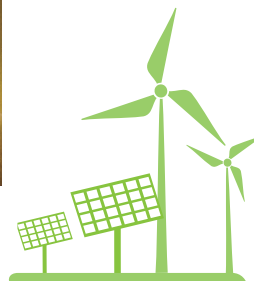
Green Warehouse Certification (Changsha)



Green Warehouse Certification (Foshan)



Provincial Green Logistics Park Certification (Guizhou)



Promoting Change Through Technology to Create a New Paradigm for Intelligent Zero-Carbon Industrial Parks

Shunxinhui Hubei Logistics Center adheres to the green and smart supply chain design concept, integrates advanced technology systems and panoramic automatic equipment, and fully introduces the ESG management system. It has become the first park of Shunxinhui in China to obtain carbon neutrality certification at this stage, and is committed to becoming a model of panoramic automated intelligent zero-carbon industrial park.

The first full-scene automated warehouse project designed independently by Shunxinhui within the industrial park achieves full automation of the entire process, including inbound, storage, and outbound operations, with the support of intelligent control systems and automated equipment. This helps to increase the overall labor efficiency of the park by 20% and enables 24/7 “lights-out” operations. It is expected to reduce carbon dioxide emissions by more than 30,000 kilograms throughout the year.

In addition, the park has introduced distributed photovoltaic projects, and it is expected that the cumulative carbon dioxide emission reduction will exceed 13,000 tons in the next 25 years; The cold storage adopts innovative refrigeration system, which reduces energy consumption by 20%-30% compared with traditional standard cold storage; Apply new insulation materials, automated power supply systems, new energy vehicle charging piles, LED lighting and other environmentally friendly and energy-saving technologies to comprehensively reduce energy losses.



Shunxinhui Hubei Logistics Center achieving phase-one carbon neutrality certification

In order to promote the green operation of the industrial park, SF deeply integrates institutional norms with digital technology, gives full play to the synergistic effect, and comprehensively improves the industrial park from key dimensions such as operational efficiency improvement, smart energy consumption management and control, rainwater recycling, and energy-saving equipment installation. Park environmental management capabilities.

Smart energy consumption management and control

- The Company has formulated the *Energy Consumption Management System of Industrial Park*, which relies on the intelligent hydropower system to achieve standardized management of public energy consumption and effectively improve the efficiency of resource use in the park. As of the end of the reporting period, intelligent hydropower systems have been installed and operated in 13 industrial parks. Through the monthly energy consumption review mechanism, the hydropower energy consumption in public areas of the operated parks has decreased by 3% (water consumption) and 5% (electricity consumption) compared with 2023.

Improvement of operational efficiency

- In order to improve the operation and management efficiency of the park, the Company has built a property system, integrating core modules such as environmental greening, security and fire management, and maintenance and testing of facilities and equipment, which has been fully applied to all operating parks to ensure the efficient and safe operation of the parks.

Rainwater recycling

- The Company adopts permeable concrete technology to collect and recycle rainwater in the park, and uses the recycled rainwater for greening irrigation, so as to improve water resources utilization efficiency and save water resources.

energy-saving equipment

- The Company continues to promote the laying of new energy charging piles to meet customers' green travel needs. As of the end of the reporting period, 32 industrial parks have completed the construction of new energy charging piles, installed more than 300 charging equipment and provided more than 600 charging parking spaces.

In addition, SF continues to promote photovoltaic construction in industrial parks, formulates and implements the *Industrial Park Photovoltaic Project Management Implementation System*, clarifies the full life cycle management specifications of photovoltaic projects from site selection to operation, covering supplier qualification review, investment and construction standards, equipment and material quality control, construction phase management requirements and subsequent operation and maintenance specifications and other aspects. The Company steadily advances the construction process of photovoltaic projects in industrial parks, and continue to increase the proportion of renewable energy use.

Investment and construction progress and future plans of industrial park photovoltaic project

As of the end of 2024, the company has successfully advanced the construction of 35 photovoltaic (PV) projects in industrial parks. Among them, 24 PV projects have been put into operation, with the total installed capacity of the equipment reaching 111 megawatts (MW). The annual power generation from clean energy has exceeded 70 million kilowatt-hours (kWh), further driving the transformation and upgrading of the company's energy structure.

Looking ahead, the industrial park has formulated a clear plan for PV projects. In 2025, SF will continue to invest in and build PV projects, with an expected additional installed capacity of 50 MW. By the end of 2025, it is anticipated that the construction of all PV projects will be fully completed and operational. At that time, the total installed capacity of PV equipment in the park will reach 170 MW, and the annual power generation is projected to increase by 140 million kWh. This will significantly contribute to the optimization of SF's energy utilization structure and propel the company towards a more environmentally friendly and efficient energy usage direction.

Developing Sustainable Packaging

SF continues to deepen the field of green packaging, focusing on the cutting-edge packaging technology, and continuously increasing investment in research and development of sustainable packaging materials. By optimizing the performance of packaging materials, breaking through technical bottlenecks and expanding scenario applications, the Company strives to build a full-link solution of packaging reduction, recycling, harmlessness and standardization, and set a benchmark in the green packaging industry.

Reduced Packaging

In order to solve the problem of over-packaging in the express delivery industry from the source, SF focuses on front-end packaging reduction and standardization strategies, and promotes packaging technology innovation and material conservation through management practice and technology empowerment. In terms of management practice, the Company deepened the implementation of *SF Packaging Operation Standards*, carried out work for over-packaging, and formulated standardized packaging operation manuals covering all categories of consignments to ensure the strict implementation of green packaging principles. At the level of technology empowerment, SF has comprehensively upgraded its smart packaging service platform, relying on digital tools to efficiently link with the courier terminal, collecting feedback from the courier in real time and optimizing the packaging plan, and guiding the courier in real time through intelligent guidance to standardize and rationalize the packaging process of various consigned items, effectively avoiding the problem of over-packaging.

Focusing on the “Fengjing Plan”, SF focuses on eight categories of materials, such as plastic bags, adhesive tape, stickers, and seals, to carry out innovative research and development of reduction, standardization, and scenario. Through lightweight design and material structure optimization, SF significantly reduces the consumption of plastics and base paper. In 2024, through a series of packaging reduction measures, SF reduced the use of base paper by approximately 42,000 tons, reduce the use of plastics by approximately 155,000 tons, and achieve carbon emission reductions by approximately 192,000 tons.

Recyclable Packaging

SF deeply integrates diversified business scenarios, develops modular recycling packaging containers adapted to multiple scenarios, realizes the standardized connection between containers and vehicles, significantly reduces product damage rates, shortens operation time, and improves operation efficiency. In 2024, SF continuously upgraded its circular technology chassis capabilities, achieving full lifecycle digital and intelligent management of circular packaging materials. By introducing RFID (Radio Frequency Identification), building intelligent allocation models, and exploring centralized cleaning models, SF has driven comprehensive improvements in internal management and circular efficiency. At the same time, SF has also improved the disposal process, allowing for orderly recycling and regeneration of circular packaging materials at the end of their life cycle.

In the transit package construction process, SF comprehensively promotes recycled woven bags to replace traditional disposable woven bags. At the same time, combined with the demand of bags in the entire network, through the reuse allocation strategy, efficient allocation of the entire network is achieved to ensure the maximum utilization of resources. At present, the average number of times a single recycled woven bag is used reaches 54 times. In 2024, 6.34 million new recycled woven bags were launched, further expanding the scale of use of recycled woven bags.

Focusing on the diversified needs of customers, industry characteristics and application scenarios, the Company has developed and put into use a variety of professional recycling packaging containers, including pharmaceutical precision temperature control boxes, cold transportation recycling incubator boxes, large standard recycling enclosure boxes, etc. In 2024, SF invested a total of 19.18 million recycling packaging containers, of which 6.26 million newly put into recycling packaging containers, and the cumulative number of cycles exceeded 1 billion times; By providing recyclable containers, it has served a total of 430,000 customers and contributed approximately 472,000 tons of carbon emission reduction.

Minimizing to the Extreme: Downsizing Disposable Sealing Strips

The polypropylene (PP) disposable sealing strips used for bundling small express packages during transit originally measured 41 cm in length. The company's Green Packaging Solutions team reduced the total length of these strips to 38 cm by shrinking the size of the package label attachment area, thereby decreasing the weight of each strip by approximately 0.6 grams.

This innovative packaging reduction initiative led to a significant decrease in plastic consumption, with a total reduction of approximately 654 tons in 2024.



In 2024
SF invested a total of **19.18** million recycling packaging containers, and the cumulative number of cycles exceeded **1** billion times; By providing recyclable containers, it has served a total of **430,000** customers and contributed approximately **472,000** tons of carbon emission reduction



SF recycling woven bag

Recyclable Packaging of SF

Pharmaceutical Transportation Scenarios – Pharmaceutical Temperature-controlled Recyclable Box	SF innovatively launched circulating temperature-controlled boxes in the pharmaceutical transportation scenarios, using environmentally friendly materials and temperature-controlled technology to successfully replace disposable foam boxes. Through continuous R&D and material upgrading, the number of recycling times has been greatly increased. A single use reduces carbon emissions by around 207 g.
Cold Chain Transportation Scenarios – Cold Chain EEP Recyclable Insulated Box	SF cold chain EEP recyclable insulated box is lightweight, pressure-resistant, non-toxic and environmentally friendly, and is superior to traditional white foam boxes, providing a safer and more sustainable packaging option for cold chain logistics. By the end of 2024, the Company had deployed over 500,000 cold chain circulation boxes in cold chain transportation scenarios, with a cumulative usage of over 4.51 million times, reducing carbon emissions by approximately 3,022 tons.
Bulk Transportation Scenarios	Recyclable Pallet Box Made of 100% recyclable PP/PE material, it has strong pressure resistance and impact resistance. The nail-free design reduces the risk of work-related injuries and reduces the dependence of large industrial and irregular parts on traditional wooden frames, wooden boxes and wooden brackets. As of the end of the reporting period, a total of more than 370,000 recyclable pallet boxes have been put in and recycled for more than 6,940,000 times.
	Recyclable Honeycomb Panels Made of 97% recyclable PP material, it has outstanding impact resistance and can replace air exhaust or honeycomb cardboard used for television protection. As of the end of the reporting period, more than 30,000 recycled honeycomb panels have been put into operation, and more than 460,000 recycled times.
“π-Box” Recyclable Box	π-Box independently developed by SF is made of environmentally friendly PP material, and the whole box is 97% recyclable, eliminating the need for disposable consumables such as tapes and zippers. As of the end of 2024, a total of 345,000 units have been put into operation, covering 119 cities, and have been recycled more than 7.54 million times.

In addition, SF continues to strengthen circular technology capabilities, optimize internal operations management, and comprehensively enhance circular efficiency. In 2024, the Company actively built an intelligent recycling platform, integrate cutting-edge technologies such as the Internet of Things (IoT), big data analysis and cloud computing, achieve comprehensive interconnection of logistics systems, and promote digital and transparent management of the entire life cycle of recycling packaging materials. In order to overcome the problem of recycling recycled packaging materials, the Company innovatively adopts RFID and QR code dual tracking system to monitor the packaging trajectory in real time to ensure rapid and efficient recycling operations.

Bio-Degradable Packaging

SF actively deploys the R&D of biodegradable packaging materials, cooperates with external scientific research institutions and universities, continues to deepen cutting-edge technology fields, and accumulates professional knowledge and capabilities. By carrying out multi-scenario pilot projects, the practicality and feasibility of various biodegradable materials are verified. As of the end of 2024, SF launched hundreds of millions of fully biodegradable packaging “Feng Bag”, providing a practical model for the large-scale application of green packaging.

SF received the certificate of “Quality User of Biodegradable Plastics”, leading the innovative practice of green packaging

In November 2024, SF received the “Quality User of Biodegradable Plastics” certificate issued by the Degradable Plastics Professional Committee of the China Plastics Processing Industry Association for its outstanding contributions in the field of biodegradable plastics, commending the Company’s R&D, production, and promotion of biodegradable plastics. The outstanding achievements show that the Company has reached the industry-leading level in technological innovation, product quality, and environmental performance, and has made positive contributions to the development of the biodegradable plastics industry.



SF Obtained “Quality User of Biodegradable Plastics” Certificate

Green Packaging Standard

SF actively builds a green packaging standard system to promote the green transformation of the industry. As of the end of 2024, SF participated in the compilation and release of 5 national standards and industry standards, including the *General Service Specifications for E-commerce Reverse Logistics* (GB/T 43290-2023), *Requirements for Restricting Excessive Packaging of Express Delivery* (GB 45186-2024), *Guidelines for the Use of Recycling Packaging of Express Mail* (GB/T 43805-2024), *Quality Control Requirements for Sales of Fruit and Vegetable Products* (20101215-T-442) and *Basic Requirements for Express Packaging of Fresh Products* (YZ/T 0194-2024). At the same time, the book *Construction and Practice of Green Standardization of Express Delivery* (ISBN 978-7-5026-5483-2, China Standards Press) co-edited by SF was officially published, providing theoretical guidance and case reference for the practice of green standards in the industry.



SF “Fengtiao Box” was selected as a green express product demonstration case of China Express Association

SF not only actively promotes the formulation of green packaging standards, but also deepens the testing of express logistics packaging materials, the safety verification and evaluation of packaging schemes and the innovative research of packaging standards by setting up a packaging laboratory testing center. SF Packaging Laboratory Testing Center has comprehensive testing capabilities, covering 45 packaging categories, more than 140 testing standards and 400 items of testing capabilities. It has obtained the first batch of “Postal Industry Green Packaging Technology R&D Center” qualifications in the industry. And passed ISTA (International Safe Transit Association) certification and CNAS (China National Accreditation Service for Conformity Assessment) certification.

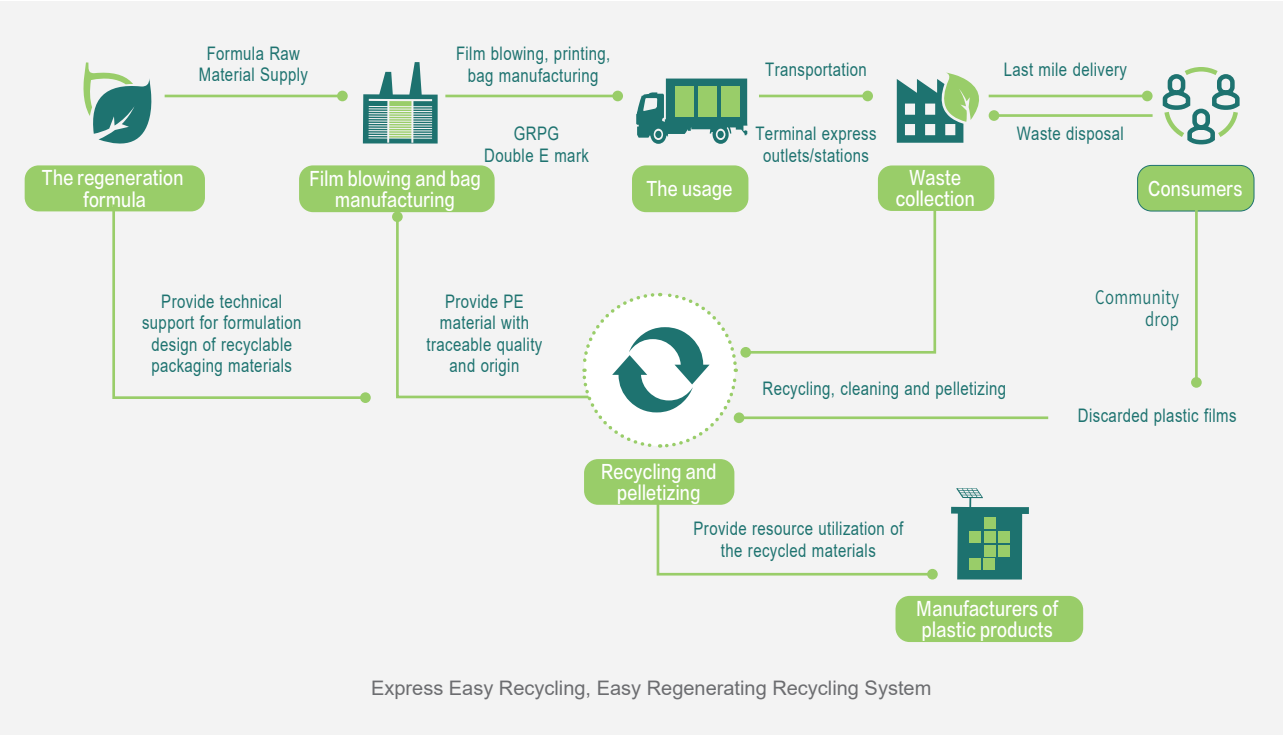
By continuously increasing investment in basic research, carrying out close cooperation with many universities and building an expert resource database, SF has carried out a number of studies in key fields such as functional packaging technology, fresh food preservation temperature control, green technology, packaging carbon emission assessment, and national enterprise standard standardization to fill the gaps in the industry. In 2024, SF and Zhejiang University were successfully approved for the “14th Five-Year Plan” national key project *Demonstration Application of Cold Chain Logistics and E-commerce Distribution of Fresh High-Value Agricultural Products*, focusing on related research on loss reduction and packaging reduction in agricultural product distribution links, and Form an industrialization demonstration. At the same time, the “Fengtiao Box” jointly developed by SF and Tsinghua University successfully replaced the foam box and was selected as a green express product demonstration case of China Express Association, providing an innovative practice model for the green transformation of the industry.

Promoting Circular Economy

SF continues to promote innovative practices in the circular economy, fully leveraging its influence and resource integration capabilities. Collaborating with upstream and downstream partners in the industry chain, SF builds an efficient and collaborative recycling and regeneration packaging system through resource sharing, technological collaboration, and information exchange. Meanwhile, SF actively fulfills its social responsibilities by conducting diverse environmental protection publicity and educational activities, stimulating the public’s enthusiasm and initiative to participate in environmental actions, and contributing to the construction of “Zero Waste Cities.”

Recycling Express Packages

SF regards the recycling of express packaging as a key measure to promote sustainable logistics and explore “Zero Waste Cities”. By integrating internal and external resources, it comprehensively promotes the closed-loop chain verification and practice from formulating industry standards and carrying out technical research to realizing express packaging recycling, and continuously optimizes the plastic recycling process. Breaking the traditional linear model of “manufacturing-using-discarding”, the Company committed to building a full life cycle system of “plastic packaging design-production-consumption-recycling-regeneration-High-value application” to minimize the impact of waste on the environment.



 Standard establishment	<p>SF, together with GRPG (Joint Working Group on Green Recycled Plastics Supply Chain) and upstream and downstream partners in the industrial chain, jointly formulated and published the group standard “Implementation Rules for Design Evaluation of Easy Recycling and Easy Recycling of Plastic Packaging-Plastic Film Express Packaging Bags and Inflatable Fillers”, which stipulated the evaluation index system and evaluation method of plastic film express packaging bags in terms of easy recycling and easy recycling design, and provided clear and operable technical guidelines for the industry to produce and use plastic film express packaging bags.</p>	 <p>SF’s “Double E” packaging bag samples were exhibited at the fifth meeting of the United Nations “Plastics Convention” in 2024</p>
 Technological innovation	<p>SF cooperated with upstream and downstream companies to jointly overcome technical problems in express packaging, and successfully developed “Double Easy” (easy to recycle, easy to regenerate bags. This bag maintains excellent mechanical properties while incorporating up to 30% post-consumer recycled resin (PCR), in compliance with the national standards for express bags, thereby realizing the value of single-material easy recycling.</p>	
 Application Practice	<p>SF has piloted full-process closed-loop recycling projects for plastic packaging waste in Shanghai, and joined hands with upstream and downstream industrial chains to collect discarded express bags and recycle them for granulation. Through technological innovation, realize the transformation of high-performance products and open up the circulation loop. In 2024, SF successfully completed the batch replacement of approximately 47 million “Double E” packaging bags in Beijing, promoting the large-scale implementation of circular economy.</p>	

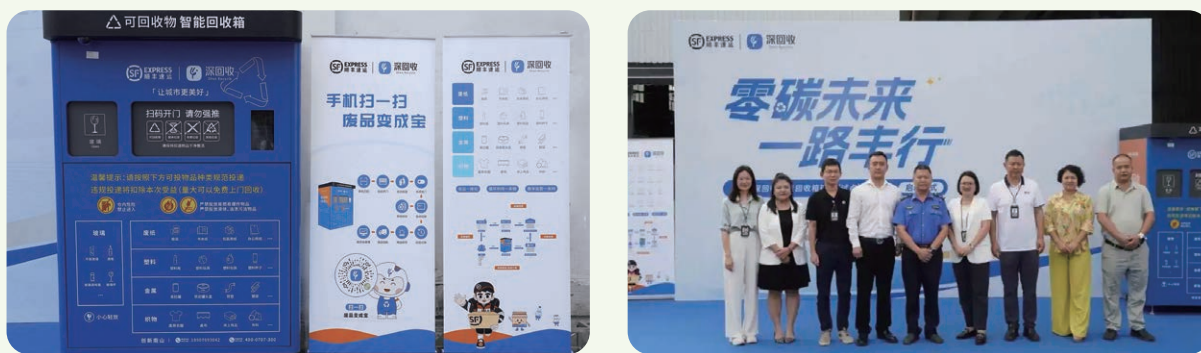
Special Topic

SF's "Smart Recycling Bin" Landed in Shenzhen, Opening a New Practice of Circular Economy

On October 30, 2024, the "Zero-Carbon Future, Prosperous Journey" SF Circular Economy Practice Project and Smart Recycling Bin Installation Ceremony were held in Shenzhen, marking the official launch and use of the first "Smart Recycling Bin" jointly established by SF and a recycling company.

The first smart recycling bin landed at the Shahe large-scale outlet in Xili Street, Nanshan District, Shenzhen. The recyclable categories include waste paper, plastic, metal, fabric, etc. SF courier and surrounding residents can open the cabinet by scanning the code on their mobile phones. After the waste express packaging is put into the cabinet, the smart recycling bin can automatically calculate the weight and settle the amount immediately. The recycling staff will recycle and transport it to the recycling center in time before the box overflows. As of the end of December 2024, SF has put 15 smart recycling bins in 15 operation sites in Shenzhen, and has recycled a total of 3,905 kg of waste materials.

As the industry's first new end-of-terminal recycling model, this project takes the lead in implementing extended producer responsibility, promoting the "integration of two networks" of renewable resources, and promoting efficient waste recycling. At the same time, the demonstration effect of point-to-area enhances social environmental awareness, and provides an innovative practice model for the industry to deepen the refined management of sustainable packaging and improve the recycling chain.



SF collaborates with recycling companies to deploy smart recycling bins at the end-point express delivery outlets

Cultivating Public Awareness of Environmental Protection

SF actively conveys the concept of green environmental protection in society and is committed to building an environmental protection ecosystem that involves public participation. By planning and carrying out various forms and rich contents of environmental protection themed activities, the Company continues to stimulate the public's attention and enthusiasm for participation in environmental protection in innovative ways, and promote the transformation of environmental awareness from concept to action. From the "Zero Carbon Star Wish" public welfare video to the green carbon energy platform, from the carton renovation activities of the SF "Box" companion program to the "New Life for Old Shoes" program in universities, SF integrates the concept of environmental protection into the daily life of the public in diversified interactive forms. Guide all sectors of society to jointly practice green lifestyles and inject strong impetus into promoting the whole society to jointly build a "zero-carbon future".

SF "Box" Companion Program: Give Waste Cartons A New Life

Since its launch in 2020, the SF "Box" Companion Program has continued to advocate the concept of green life, calling on the public to give full play to their creativity and hands-on ability, DIY transformation of idle express cartons, and give waste resources a second life.

In 2024, the SF "Box" Companion Program enters its fifth year. SF initiated a creative cardboard box transformation campaign through both online and offline channels, encouraging the public to repurpose idle express cardboard boxes into versatile "treasure boxes" for daily life (such as a "spare" box for car travel, a "spare" box for home storage, a "spare" box for pet homes, a "spare" box for lifestyle essentials, a "spare" box for moving and packing, etc.), providing help and inspiration for daily life.

SF launched the creative transformation challenge online, encouraging users to share the coup of secondary utilization of cartons by posting pictures and videos, displaying creative transformation works, and promoting the widespread dissemination of green concepts on social platforms. At the same time, Nanjing, Chongqing and Changsha carried out offline limited-time pop-up activities, and built creative devices and photo walls with express cartons, so that the public could immerse themselves in the practical value and environmental protection beauty of cartons.

Over the past five years, the "Box" Companion Program has empowered environmental protection with creativity and transformed green concepts into vivid practices. It not only provided the public with an interesting way to participate in environmental protection, but also became an innovative model for SF to practice sustainable development and lead a green lifestyle.



SF "Box" Companion Program

SF x Nike "New Life for Old Shoes" Program: Make the Graduation Season More Meaningful

In June 2024, SF and Nike joined hands with 53 universities across the country to launch the "Old Shoes Recycling • Easy Start" graduation season special event to provide college students with a green practice platform for recycling old things.

SF was responsible for campus promotion and logistics support for old shoes recycling, providing discount coupons and customized woven bags for graduation season for students who participate in used shoes donation, combining environmental protection actions with graduation delivery needs, so that students can not only participate in public welfare, but also enjoy benefits. This innovative model not only stimulates students' enthusiasm for participation, but also rejuvenates old shoes, transforms them into environmentally friendly materials for sports venues.

The "New Life for Old Shoes" program integrates the concept of environmental protection into the graduation season of universities through interesting and scene-based design, which has become another innovative practice of SF to promote the popularization of green lifestyle and injects new vitality into environmental protection education in universities.



SF x Nike "New Life for Old Shoes" Recycling Program

Practice Green Operation

SF has always implemented the green development concept of environmental protection and resource friendliness, fully integrated the low-carbon concept into office operation scenarios, continuously improved the environmental management system, formulated and implemented the *Measures for the Management of Water and Electricity in Property Sites* and the *Measures for the Management of Regional Office Space Use*, scientifically and rationally utilized resources, strengthened emission management, continuously improved employees' awareness of environmental protection, jointly created a green office environment and built a resource-saving enterprise.

Improving the Environmental Management System

SF strictly complies with laws and regulations related to environmental protection, such as the *Environmental Protection Law of the People's Republic of China* and the *Pollution Prevention and Control Law of the People's Republic of China*, and continues to improve its environmental management system to ensure environmental compliance. *The Company formulated the Regulations on the Management of Identification and Evaluation of Environmental Factors*, standardized the process of identification of environmental factors, clarified the principles of evaluation of environmental factors, and strictly controlled important environmental factors through the *Form of Identification and Evaluation of Environmental Factors*. In view of the potential environmental risks in the process of business operation, the Company regularly conducts risk assessment, formulates preventive measures, and continuously improves the emergency response mechanism for environmental emergencies to ensure that it can respond to environmental emergencies quickly, orderly and efficiently, and effectively control, mitigate and eliminate environmental risks.

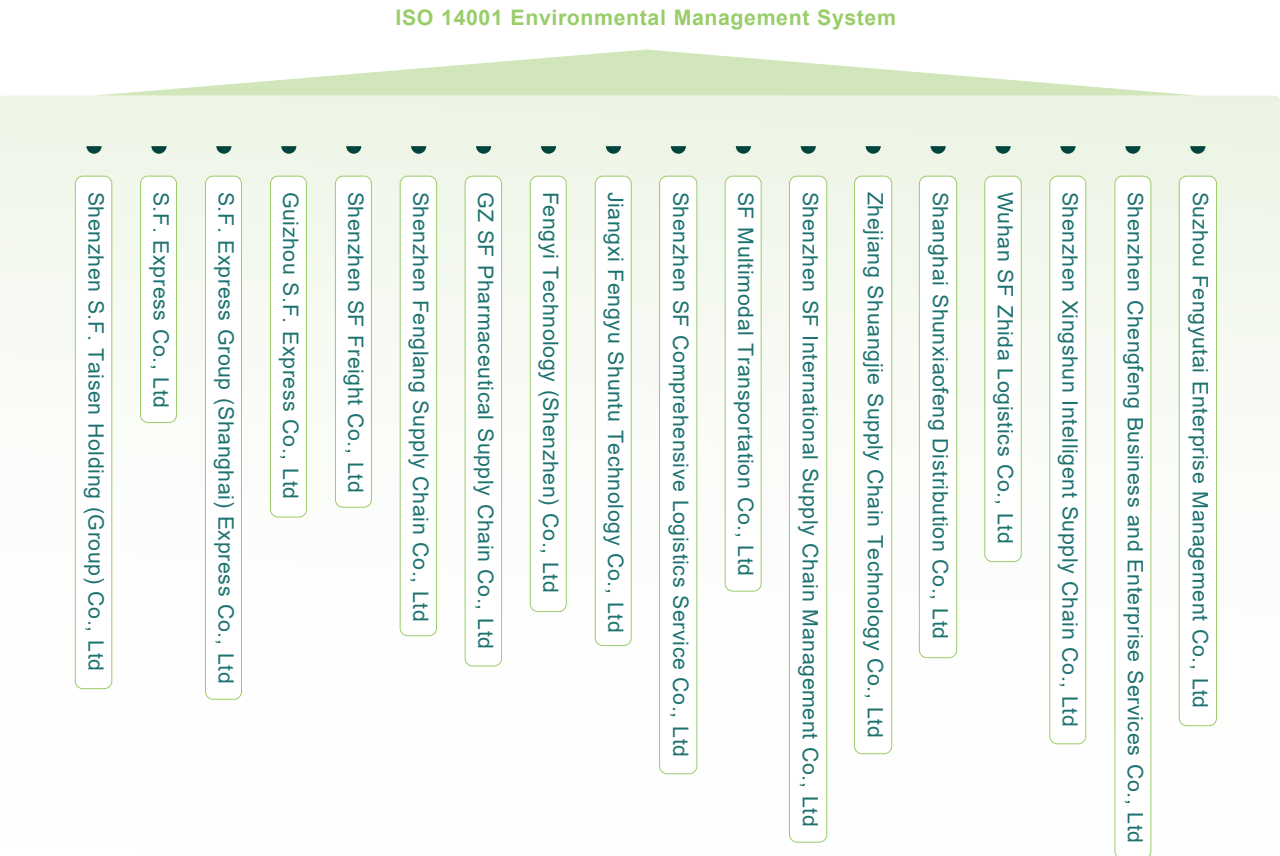
The Company has formulated the *Environmental Policy* to ensure that environmental protection measures are actively taken in daily operation activities, reduce the impact on the environment, and earnestly fulfill the Company's commitments in sustainable development and green operation. During the Year, SF did not have any major environmental incidents and was not subject to any major administrative penalties due to environmental issues.

SF's commitment to environmental protection:

- Strictly abide by all applicable environmental-related laws, regulations and industry regulations in the location of operation, such as the *Environmental Protection Law of the People's Republic of China* and the *Pollution Prevention and Control Law of the People's Republic of China*, and clearly define the responsibilities of relevant business departments of the Company in the process of implementing environmental policies to ensure the effective implementation of policies.
- Actively adopt diversified energy conservation and environmental protection measures for different business scenarios, minimize the impact of all operational activities on the environment, and improve the Company's environmental and energy performance.
- Committed to setting and continuously optimizing specific targets and indicators in the fields of water resources management, waste treatment and energy utilization to reduce adverse impacts on the environment and promote environmentally friendly operations.
- Actively communicate and cooperate with partners, customers and other stakeholders in the upstream and downstream of the value chain in environmental protection, and strive to enhance the understanding and recognition of the Company's environmental management work by all stakeholders.
- Actively organize environmental education and training to ensure employees understand the specific impact of daily work activities on the environment, and enhance employees' environmental awareness and sense of responsibility.

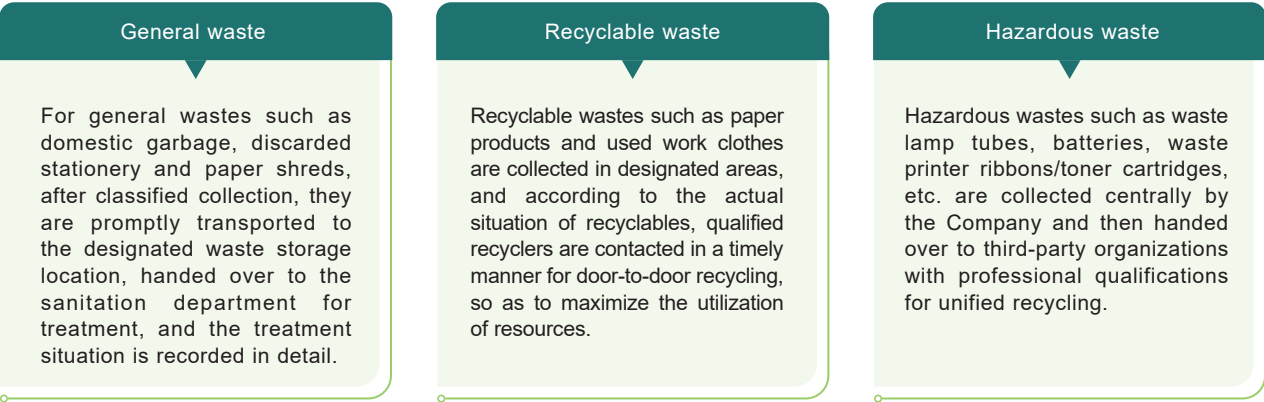
The Strategy Committee of the Board of Directors/Sustainable Development Working Group is responsible for supervising and ensuring the implementation of the above commitments.

SF has established a sound environmental management system and energy management system, and continues to promote the completion of environmental and energy management system certification in each business segment. As of the end of the reporting period, all of the Company's main business segments have passed the ISO 14001 environmental management system certification. In addition, SF Airlines has obtained ISO 50001 Energy Management System Certification and RB/T 104-2013 Energy Management System for Transport Industry Enterprises.



Waste Management

SF places great emphasis on waste management during its operations. In line with business development and the realities of daily operations, the Company sets the core goals of waste reduction at the source and enhancing the capacity for waste recycling. Company has formulated and fully implemented the waste classification system, set up clear classification signs in office areas and operation sites, and formulated clear treatment procedures for different types of waste to ensure that waste is properly disposed of and promote the full implementation of green operation. In 2024, the Company recycled 41 million used cartons and dispose of 900 tons of used work uniforms.



In addition, the Company actively carries out waste classification training activities to comprehensively strengthen employees' awareness and practical level of waste classification. The training content covers basic knowledge of waste classification, practical operation procedures, relevant laws, regulations and policy requirements, etc., helping employees to fully grasp the key points of waste classification and integrate the concept of green office into their daily work. As of 2024, SF has set up more than 110 garbage classification and recycling points in various industrial parks and organized 23 training sessions on various types of garbage classification.

Noise and Exhaust Management

In order to ensure the compliance of noise and exhaust gas emissions, the Company actively carries out the identification, evaluation and management of exhaust gas and noise to reduce the impact of operations on the surrounding environment. In 2024, SF did not experience major administrative penalties or criminal responsibilities due to pollutant discharges.

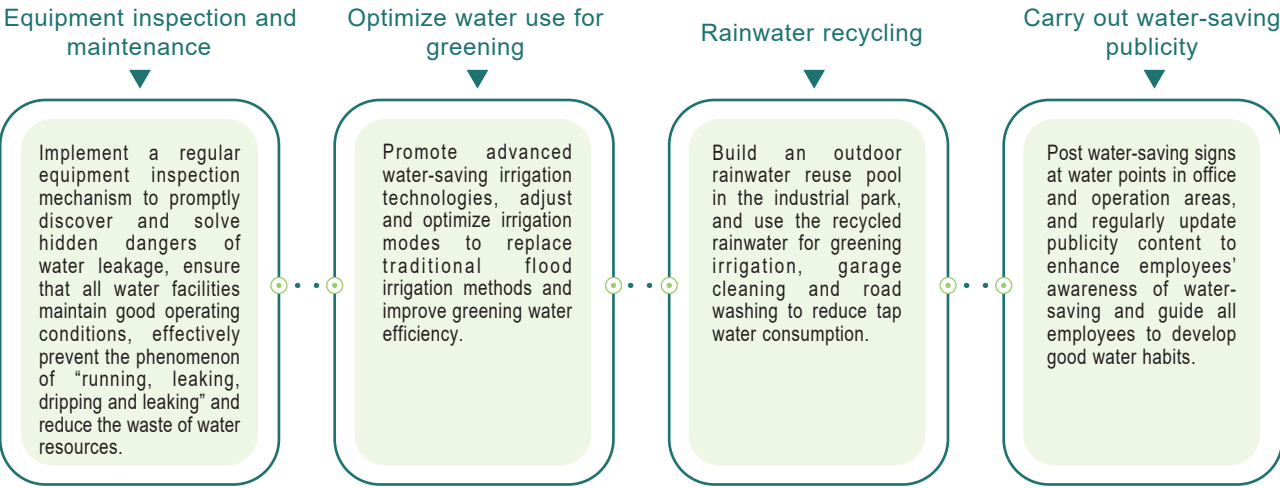
In terms of noise pollution control, SF gives priority to glass materials with noise reduction and sound insulation performance during the construction and operation of office buildings, and upgrades some equipment. In the planning and management of the industrial park, the company fully considers the actual situation of the geographical environment and population distribution of the area where the industrial park is located, and scientifically designs and installs sound insulation walls around the park to effectively isolate and reduce noise interference to the surrounding environment.

In terms of exhaust emission control, SF strictly follows relevant national regulations and implements a strict vehicle access mechanism to ensure that all purchased vehicles meet environmental emission standards. In addition, by implementing a regular annual inspection system, the Company comprehensively monitors vehicle exhaust emissions to ensure that all vehicle exhaust emissions meet standards and reduce the emission of air pollutants.

Water Resources Management

SF has formulated water use management systems such as the *Measures for the Management of Water and Electricity in Property Sites* to standardize water use behaviors. The company sets water-saving targets aimed at maximizing water reduction and enhancing water efficiency. By strengthening the maintenance of water facilities and promoting water-saving concepts, SF enhances employees' awareness of water conservation, controls water consumption, improves the efficiency of water resource utilization, and achieves water savings. The Company's sources of water are all municipal water, and it does not involve the use of large quantities of water or the discharge of wastewater in the course of its operations, nor does it engage in products and businesses that are prone to cause pollution to water resources.

Specific water saving measures include:



Energy Utilization

As an industry leader in sustainable development, SF is well aware of the importance of energy utilization efficiency and clean energy transformation in reducing environmental impact and promoting green development of the industry. Energy utilization has risen from hidden costs to a significant factor that embodies both risks and opportunities, profoundly impacting the company's business model, daily operations, long-term strategy, operational performance, cost control, and other aspects. Based on its own operating characteristics, the Company has gained insight into the energy-saving potential in various aspects of business operations, continuously optimized the energy management system. By gradually improving the energy structure, reducing the use of fossil fuels, and exploring application scenarios for clean energy, the company promotes efficient energy use and green transformation, setting a benchmark for sustainable development in the industry.



Governance

SF strictly abides by the *Energy 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, and continues to improve its energy management system. Relying on the sustainable development governance structure, the Company deeply integrates energy utilization into the ESG management system to ensure that energy management is closely integrated with the overall sustainable development strategy.

As the decision-making body of sustainable development management, the Strategy Committee of the Board deeply participates in the discussion and research on important issues such as energy efficiency improvement and clean energy transformation, continuously identifies risks and opportunities related to energy management, and promotes the formulation and implementation of energy utilization strategies and goals from top to bottom. At the executive level, key business departments related to energy management formulate energy management rules and regulations that fit their own business development characteristics according to the Company's energy management strategies and objectives. At the same time, in order to ensure the effective promotion of energy management, relevant business departments regularly report the progress of energy management related objectives to the management, so as to adjust strategies in a timely manner and ensure the efficient and orderly progress of energy management.

Strategy

Under the background that the world is actively implementing the concept of green development and energy transformation has become the trend of the times, scientific management of energy is crucial to the sustainable development of enterprises. In order to identify and evaluate the impact of risks and opportunities related to energy utilization on the company, SF sorts out and identifies risks and opportunities related to energy management from multiple dimensions such as impact degree and time range through extensive industry research and stakeholder communication based on the business development layout and characteristics, and deeply analyzes the characteristics and optimization direction of the company's energy consumption structure, thus providing strong support for the company to formulate a scientific and reasonable energy management strategy.

Type of risk/opportunity	Time range	Potential financial impact	Countermeasures
 Transformation risks	Policy	Short-term Medium-term Long-term	<ul style="list-style-type: none">With the increasing demands for clean energy utilization and energy efficiency both domestically and internationally, and the increasingly stringent energy-related policies and regulations, companies may need to invest more funds and technologies to improve the energy use structure and efficiency, thereby increasing compliance costs and operating costs. <ul style="list-style-type: none">Develop and apply green technologies to help enhance quality and efficiency and reduce carbon emissions across end-to-end aspects of the supply chain.<ul style="list-style-type: none">Transfer link: Optimize warehousing resource allocation based on data, introduce fully automated sorting and site management systems, and enhance the efficiency of warehousing and transfer operations, thereby improving energy utilization efficiency;Transport link: Intelligent maps are used to plan transportation routes, and the optimal route solution is provided through intelligent algorithms in combination with factors such as express timeliness and distance. At the same time, relying on data analysis and deep learning technology, it integrates freight routes and transportation resources to achieve accurate matching of vehicles and goods and improve transportation efficiency;Terminal collection and dispatch link: through the application of intelligent technology, expand the scope of business delivery and provide efficient, economical and low-carbon logistics and transportation services;Maintain a high level of attention to the dynamics of policies and regulations related to external energy management, organize professional teams to continuously track the updates of policies and regulations and the changing trends of industry standards, and make strategic deployments in advance;Actively carry out training on energy saving and consumption reduction, formulate incentive plans for fuel saving and energy saving, and stimulate employees' enthusiasm and initiative to participate in energy saving actions.
	Market	Short-term Medium-term Long-term	<ul style="list-style-type: none">Fluctuations in the market prices of clean energy (such as sustainable aviation fuel SAF, green electricity, etc.) and fossil fuels (such as gasoline, diesel, etc.) may lead to increased transportation and warehousing costs for companies. <ul style="list-style-type: none">Actively explore various energy forms such as solar energy and hydrogen energy, build a scientific, reasonable, stable and efficient energy supply system, and reduce dependence on a single energy source;Continue to gain insight into the dynamics of the global energy market, implement diversified procurement strategies, select cost-effective energy suppliers from the dimensions of price competitiveness, quality stability, supply reliability and sustainable development practices, and establish long-term, stable, mutually beneficial and win-win cooperation relationship to ensure efficient and stable energy supply.
 Opportunity	Products and Services	Short-term Medium-term Long-term	<ul style="list-style-type: none">With the rapid development of emerging energy industries such as new energy vehicles and solar photovoltaics, the transportation demand of new energy products in the logistics market has increased significantly, which will help increase the company's revenue in new business areas. <ul style="list-style-type: none">According to the operation situation and site conditions, expand the construction of distributed photovoltaics in the industrial park in an orderly manner, and realize the electricity consumption mode of "self-use and surplus electricity on the grid";Keep up with the development trend of new energy technology, conduct in-depth research on technological breakthroughs and application potential in key fields such as sustainable aviation fuel SAF and new energy vehicles, explore the application scenarios of new energy technology in logistics and transportation, and further enhance the company's low-carbon transportation capabilities.

Risk Management

SF deeply integrates ESG risks including energy utilization into the enterprise risk management framework, establishes a comprehensive management mechanism and process for energy utilization risk identification, assessment, control and supervision, and constructs a closed-loop risk management process of "risk environment analysis – Goal setting and risk identification of risk control -risk assessment-risk response-supervision and improvement" to ensure that energy utilization-related risks are effectively identified, managed and disclosed.


As the highest decision-making body for risk management, the Risk Management Committee of the Board is responsible for identifying, preventing and monitoring ESG-related risks including energy utilization, and formulating corresponding risk response strategies; As a subordinate body of the Risk Management Committee of the Board, the Risk Committee is responsible for reviewing the risk management system, system, process, authorization, major risk prevention and response measures, including energy utilization risks. In order to effectively implement the countermeasures against energy utilization risks, the Company continues to promote the improvement of the energy management system of key business departments according to the actual operation situation, so as to ensure the orderly progress of energy management.

Risk environment analysis	Pay attention to and analyze changes in the internal and external environment brought about by energy utilization efficiency, energy transition, etc.
Goal setting and risk identification of risk control	Combined with the risk control targets set at the Company level, identify and sort out the list of energy-related risks.
Risk assessment	Based on the possibility of risks related to energy utilization and the degree of impact on the company's goals, the identified risks are prioritized, and the risks to be focused on and prioritized for management and control are determined.
Risk responses	The Board comprehensively considers the risks and benefits brought by energy transition, brand reputation and social responsibility and other factors, and review and formulate effective risk response plans based on risk analysis.
Supervision and improvement	Continuously follow up, monitor and manage the disposal of risks related to energy utilization. In daily work, continuously optimize the energy management capabilities by strengthening the use of clean energy and improving energy efficiency.

Metrics and Targets

Efficient utilization and scientific management of energy are not only key indicators to measure the Company's environmental performance, but also core elements to achieve sustainable development strategy. As a leading enterprise in the logistics industry, SF has always regarded energy management as its core work, reduced energy consumption through continuous technological innovation, actively promoted the application of renewable energy, accelerated the substitution of fossil energy, and comprehensively promoted the transformation and upgrading of the energy structure.

The company has established an indicator system with efficient energy utilization as the core, and continuously improves the level of energy management through dynamic monitoring and continuous optimization. The Company regularly evaluates energy utilization performance to ensure the achievement of goals, and promotes the continuous improvement of energy utilization efficiency through refined management, laying a solid foundation for achieving green and low-carbon development.

Indicator	Progress of action	Short and medium-term future planning/goal setting
 Clean energy	<p>As of the end of 2024, SF had a total of 35 industrial park photovoltaic projects in operation and construction, with a total installed capacity of 145 MW.</p> <p>In 2024, the construction of rooftop photovoltaic power stations in 24 industrial parks has been completed, with an overall installed capacity of more than 111 MW. The annual renewable energy power generation exceeds 70 million kWh, and clean energy usage exceeds 42 million kWh.</p>	<p>It is expected that all photovoltaic projects will be completed and put into operation by the end of 2025. It is estimated that the total installed capacity of photovoltaic equipment in the industrial park will reach 170 MW, and the annual power generation will exceed 140 million kWh.</p>

In order to comprehensively improve energy efficiency and ensure the realization of energy utilization targets, the Company systematically promoted a series of energy conservation and consumption reduction measures, and achieved remarkable results.

Energy-saving equipment transformation

Industrial park lighting optimization: based on the analysis of energy consumption data in public areas of each park, SF implemented energy-saving renovation for 23 industrial parks with high lighting energy consumption in public areas. Significantly reduce lighting energy consumption in public areas by replacing intelligent sensor switches and energy-saving lamps. As of the end of the Reporting Period, the replacement of 234 lighting sensor switches and 678 sets of energy-saving lamps has been completed.

Intelligent electrical box deployment: operating sites are equipped with intelligent electrical box systems to accurately identify power waste during idle periods through real-time power consumption data collection and analysis, and combine automatic timing control and manual intervention to effectively reduce unnecessary power consumption. By the end of 2024, 779 outlets had completed the deployment of intelligent electric boxes, saving 3.676 million kWh of electricity annually, equivalent to reducing carbon emissions by 1,973 tons.

Energy Saving in Office Equipment

Equipment upgrade and management: comprehensively promote energy-saving office equipment (such as computers and printers), optimize the number of equipment configurations, and reduce standby energy consumption. At the same time, a strict electricity consumption system is formulated, requiring employees to turn off the power supply when the equipment is not in use for a long time, cut off the power in time after charging is completed, and ensure that the power supply of all office equipment is turned off after work to avoid waste and potential safety hazards caused by overcharging.

Energy monitoring management

Intelligent monitoring system: Establish a complete energy monitoring and management system, install intelligent energy metering instruments in office areas, and track power consumption data in real time. Through data analysis, we can accurately identify energy waste links, formulate targeted improvement measures, and realize the refinement and intelligence of energy management.

Safeguarding Ecological Environments

SF has always adhered to the concept of green development and is committed to achieving the harmonious coexistence of corporate development and ecological environment protection. By vigorously promoting a number of green operation initiatives and actively participating in diversified environmental protection actions, we strive to reduce the impact of our own operations on the natural environment and biodiversity, fulfill our commitment to green development with practical actions, and contribute to building a beautiful homeland where humans and nature coexist harmoniously.

Conservation of Biodiversity

Biodiversity is not only the cornerstone of the stable operation of ecosystems, but also the key support for the sustainable development of human society. SF actively promotes biodiversity conservation, refers to and adopts the Biodiversity Impact Assessment Tool (BIA) and the Biodiversity Risk Filter (BRF) developed by the World Fund for Wildlife (WWF) to identify and pilot evaluate the degree of direct or indirect correlation between the company's main industrial park operation sites and nature. Among them, according to the monitoring results of the Biodiversity Impact Assessment (BIA) tool, the company maintains a sufficient safe distance between major domestic industrial parks and nature reserves⁹, and the potential impact of the company's operating activities on the surrounding protected areas is manageable and controllable. within the range of control.

SF is deeply aware of the important value of the ecological environment to the sustainable development of enterprises, human well-being and earth health, and is committed to optimizing site selection, reducing noise pollution, carrying out forest planting, restoring and protecting ecosystems in the planning and operation of major operating sites, and striving to reduce the risk of damage to biodiversity and implementing conservation actions.

⁹ The nature reserve here includes national parks, nature reserves and natural parks, as well as world natural heritage and internationally wetlands of international importance. The relevant scope is delineated according to the *Guiding Opinions on Establishing a Nature Reserve System with National Parks as the Main Body*, the *Convention Concerning the Protection of the World Cultural and Natural Heritage* and the *Ramsar convention*.

SF Forest

Since 2020, SF has continued to carry out the “SF Forest-Carbon Neutrality” project (referred to as “SF Forest”) as the company's innovative exploration in the field of carbon neutrality. The project is based on online “SF forest” application and offline carbon-neutral forest planting, and has set up nature reserves in Xizang and Sichuan to collaboratively promote climate change response and biodiversity protection. At the same time, SF advocates the concept of “zero carbon” to employees, customers and the public through community care and public welfare publicity, and is committed to becoming a leader in the field of sustainable development.

Carbon Neutral Forest Planting

Through scientific planning and careful implementation, SF forest not only effectively offsets greenhouse gas emissions, but also promotes ecological protection and restoration, and improves forest ecosystems. Through multi-party cooperation with the government, enterprises and social organizations, SF has explored a path of green development with multi-party participation, win-win innovation, multiple benefits and local benefits in the fields of climate change response and ecological protection and restoration. In 2024, the company successfully completed the planting tasks of carbon-neutral forests in Sichuan Seda Phase II and Hebei Laiyuan projects, with a cumulative planting area of 990 acres and a total of 660,290 trees planted. At the same time, the Sichuan Seda Phase I carbon neutral forest project also successfully passed the third-party verification and acceptance. The afforestation area verification rate reached 100%, the overall tree survival rate reached 85%, and the afforestation tree species, afforestation density and infrastructure all met the established requirements. It fully proves the scientific and standardization of project implementation.

As of the end of 2024, SF Forest has planted more than **1,647** acres of carbon-neutral forests in Hebei and Sichuan, with a total of more than **1** million trees planted. These trees are expected to absorb more than **200,000** tons of carbon dioxide in the future growth process, contributing to mitigating global warming and helping to restore and improve local ecosystems.



SF carbon neutral forest planting site

SF Forest Online Application

SF deeply integrates green concepts with Internet technology, and launches the “SF Forest” online application since 2021, creating a new model of environmental protection interaction. Users can participate in environmental protection actions through online “Cloud tree planting” and track the cultivation process, growth trajectory and environmental protection results of forests in real time. The application has built-in rich interactive functions such as measuring carbon emissions, tree adoption and cultivation, and stimulates users' enthusiasm for participation through the task reward system.

As of the end of 2024, the “SF Forest” online application has attracted more than **120,000** users to participate, adopted more than **100,000** saplings. These saplings, which carry the love and expectation of users, will be planted on the ground, adding more green vitality to the earth.

Biodiversity Public Welfare Activities

At a time when biodiversity conservation has become a global development consensus, SF actively fulfills its corporate social responsibility and focuses on the protection of ecological functional areas and endangered species. Through comprehensive scientific investigation, we find out the background data of resources, strengthen the protection of key ecological functional areas and rare and endangered species, maintain ecological balance, and continue to explore new models of biodiversity protection.

SF works closely with scientific research institutions and social organizations, integrates resources from all parties, deploys biodiversity conservation projects in Sichuan, Xizang and other places, and promotes biodiversity conservation to a new height.

Comprehensive Pilot Project of Wildlife Protection and Ecological Development in Southeast Xizang

In 2024, the SF Foundation launched in-depth cooperation with the Shanshui Nature Conservation Center to jointly open a new chapter in ecological protection in Medog County and Zayu County of the Xizang Autonomous Region. The two sides planned to integrate resources in the next three years, and laid a solid foundation for the smooth development of scientific research and local ecological protection work by implementing animal monitoring surveys and background resource surveys, organizing community patrol teams, establishing pilot projects for human-animal conflicts, and building a popular science education system in protected areas.



SF Forest Project Team Investigation on Biodiversity in Southeast Xizang

Sichuan Seda Nianlong Nature Reserve White-Lipped Deer Public Welfare Protection Project

Starting from 2023, the SF Foundation has cooperated with the China Green Carbon Foundation to begin the strategic deployment of biodiversity conservation actions. After more than a year of careful preparation, in July 2024, the two parties launched the “White-lipped Deer Biodiversity Special Protection Project” in the Nianlong Provincial Reserve in Garze Prefecture, Sichuan Province. Through the implementation of comprehensive scientific investigations, they found out the local biodiversity resources. Basic data provide scientific basis for white-lipped deer public welfare protection actions.



White-lipped deer in Seda Nianlong Nature Reserve, Sichuan

Addressing Climate Change

Climate change is a major challenge of the whole world, and its impact has profoundly touched all social and economic fields. As an important promoter of the green and low-carbon transformation of the logistics industry, SF deeply understands the urgency and complexity of climate change, continues to pay attention to the risks and opportunities brought by climate change, and is committed to building a sustainable logistics supply chain. The Company actively responds to the national “Carbon Peak and Carbon Neutrality” strategy and the 1.5 degree Celsius temperature control target of the Paris Agreement, refers to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), incorporates climate change issues into the corporate governance system, comprehensively considers the development trend of policies, industries, markets and technologies, carries out systematic identification and analysis of climate risks and opportunities, continuously strengthens climate risk management, promotes green operation transformation, and promotes sustainable development.

Governance

SF is deeply aware of the far-reaching impact of climate change on the company's strategic planning and business operations, and regards climate change governance as an important part of the environmental, social and governance (ESG) system. The Strategy Committee of the Board is responsible for supervising and managing various sustainable development matters including climate change response, incorporating climate risks and opportunities into the Company's strategic planning, and formulating corresponding management measures. In order to ensure the effectiveness of the implementation of various measures, the Company has incorporated quantitative indicators related to climate change into the performance appraisal system at all levels to promote the continuous improvement of the Company's ESG governance level.

SF Climate Change Related Incentives

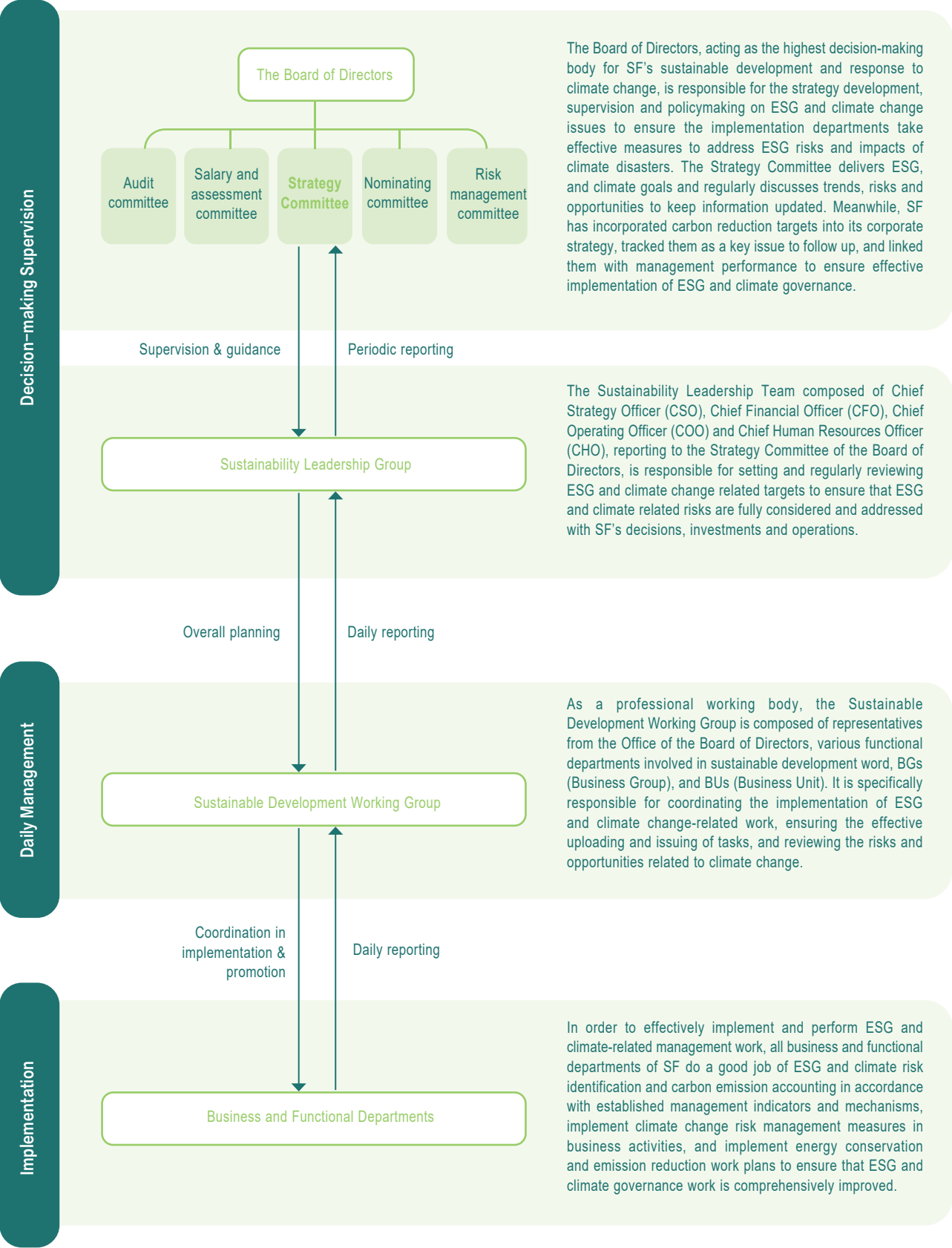
Management

SF's management compensation is linked to climate change-related performance to facilitate and accelerate the implementation of SF's climate commitments and goals.

General Staff

SF formulated and implemented the *Fuel Consumption Lump Sum Plan for Operating Vehicles*, scientifically set fuel consumption standards according to different business scenarios, clarified fuel consumption targets, refined fuel consumption reward and penalty rules, provided targeted incentives to drivers, improved vehicle transportation efficiency, and achieved energy conservation and consumption reduction goals.





SF Sustainability Governance Structure

Strategy

SF comprehensively assesses short-term (0-2 years), medium-term (2-5 years) and long-term (5-10 years) climate risks and opportunities, and closely integrates risk management measures with the company's strategic goals and action plans. Since the risks and opportunities brought by climate change are usually long-term, complex and uncertain, the Company applies scenario analysis methods to evaluate the climate risks and their financial impacts under different global temperature rise scenarios, including low emission and high emission scenarios, which provide scientific basis for the Company to formulate forward-looking and flexible risk management strategies.

Physical Risk

Physical risks refer to the impact of changes in climatic conditions on the Company's operation and development, including acute physical risks (such as typhoons, floods, etc.) and chronic physical risks (such as rising average temperature). In 2024, SF conducted a comprehensive risk screening based on the two Shared Socioeconomic Pathways (SSPs) in the Sixth Assessment Report (AR6)¹⁰ of the United Nations Intergovernmental Panel on Climate Change (IPCC)-SSP1-2.6 (low emission scenario) and SSP5-8.5 (high emission scenario), systematically analyzed the potential impact of key physical risks on company operations and finance, covering temperature rise, sea level rise, changes in the frequency and intensity of extreme weather, changes in precipitation and so on, and provided data support for the resilience building of infrastructure and operational networks.

Scenario Type	Scenario Selected	Scenario Source	Scenario Application Description	Scenario Forecasting ¹¹
Low emission scenarios	SSP1-2.6	Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)	It has rapidly transformed from an economy that relies on fossil fuels to an economy driven by renewable energy, and many countries have begun to implement strong climate mitigation measures to control global warming in this century from not exceeding 2.0 °C before the industrial revolution (1850).	<ul style="list-style-type: none">Average temperature¹²: will increase by 1.9°CAverage Sea level¹³: will rise 0.2mExtreme weather¹⁴: frequency and intensity will increase to some extentTotal precipitation¹⁵: will increase by 1.3%
High emission scenario	SSP5-8.5	Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)	Due to the continued extraction of fossil fuels as the primary energy source to drive global economic growth, greenhouse gas emissions are expected to be at high levels until 2100, which may exacerbate the occurrence of extreme weather events.	<ul style="list-style-type: none">Average temperature: will increase by 2.7°CAverage Sea level: will rise 0.3mExtreme weather: frequency and intensity will significantly increaseTotal precipitation: will increase by 1.6%

Under the high emission scenario, the company faces the greatest impact of physical risks, so the company conducts physical risk analysis under this scenario:

¹⁰ The data from the IPCC models focus on the field of climate science and its physical impacts, enabling detailed projections of the physical consequences of climate change. This information is particularly valuable for assessing the physical risks to the natural environment and infrastructure under changing climatic conditions.

¹¹ Source: Intergovernmental Panel on Climate Change (IPCC) Working Group (WGI) Sixth Assessment Report and CMIP6 climate models.

¹² Refers to the change of Chinese average temperature by 2050 compared with 1850-1900.

¹³ Refers to the change of Chinese mean sea level height by 2050 compared with 1955-2014.

¹⁴ Refers to the changes in the frequency and intensity of extreme climate in China by 2050 compared with 1850-1900.

¹⁵ Refers to the change of Chinese total precipitation by 2050 compared with 1850-1900.

Type of Risk	Risk Factors	Period of Influence	Impact of Value Chain	Degree of Impact
--------------	--------------	---------------------	-----------------------	------------------

Acute risk	Typhoon	Short term, medium term and long term	Logistics and operations	Medium to high
------------	---------	---------------------------------------	--------------------------	----------------

Risk Analysis

- In the logistics transit phase, SF has a large number of domestic and foreign self-operated and agency outlets, transit depots, logistics industrial parks and warehouses. Extreme weather events such as typhoons may cause strong winds and heavy rains, resulting in damage to the facilities of the transit depots, such as roof damage, transit equipment failure and so on, which in turn affects the normal operation of the transit depots and increases maintenance costs and operating costs.
- In the logistics and transportation phase, SF provides customers with domestic and cross-border logistics and transportation services through various transportation modes such as air, road and railway. A major typhoon event may cause disruption to overall logistics transportation, resulting in goods being stranded at transit depots or warehouses and not being able to reach their destinations on time, thereby increasing logistics performance risks and resulting in loss of revenue.

Countermeasures

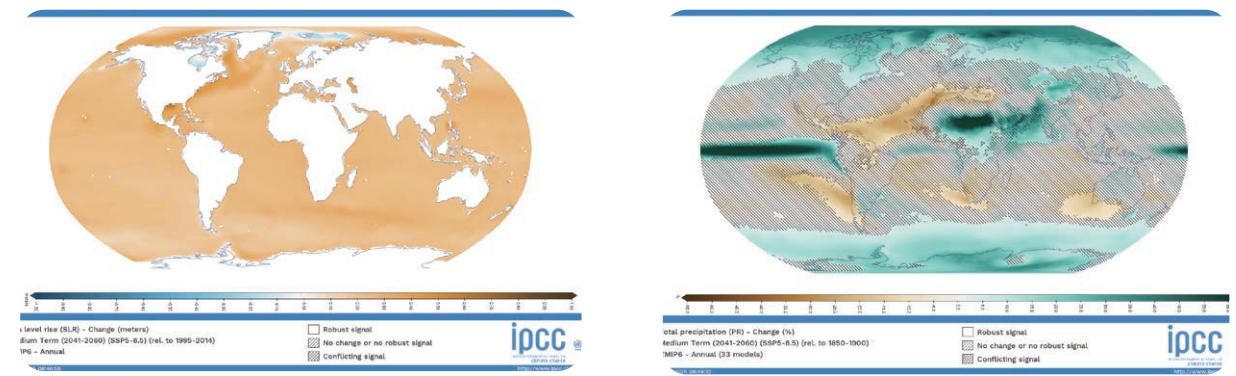
- In the process of site planning and construction, fully assess the risks of strong winds and heavy rains that may be caused by typhoons, and avoid multi-slope pavement design on the premise of complying with local building codes to reduce the possibility of forming inward gullies under heavy rainfall conditions.
- Formulate a complete emergency plan, reserve sandbags, generators, drainage pumps, helmets and other emergency supplies at each operation site in accordance with the system requirements, and regularly check the operation of facilities and equipment and the reserve of emergency supplies.
- In the field of air transportation, SF Aviation has set up a meteorological seat in the Aviation Operation Command Center to release weather warning and forecast information in real time, accurately assess the intensity, scope and impact period of severe weather, and timely transmit relevant information to operational support departments such as the units responsible for dispatching and releasing goods, providing scientific meteorological support for flight decision-making adjustment.

Type of Risk	Risk Factors	Period of Influence	Impact of Value Chain	Degree of Impact
--------------	--------------	---------------------	-----------------------	------------------

Acute risk	Flood	Short term, medium term and long term	Logistics and Operations	Medium to High
------------	-------	---------------------------------------	--------------------------	----------------

Risk Analysis

Global warming will lead to rising sea levels and total precipitation, thus increasing the risk of floods.



- In areas with high incidence of flood disasters, the transit depots, warehouses and industrial parks operated by the company may face the risk of flooding, resulting in flooding inside or surrounding areas of the warehouses, thereby causing damage to stored items. In addition, logistics infrastructure, including transportation equipment, pipeline systems and storage facilities, may be damaged by floods, resulting in asset losses and increased maintenance costs.
- Flood disasters may cause damage to transportation infrastructure such as roads and bridges, resulting in interruption of logistics and transportation routes and delay of distribution timeliness, thereby affecting transportation efficiency and reducing operating income.

Countermeasures

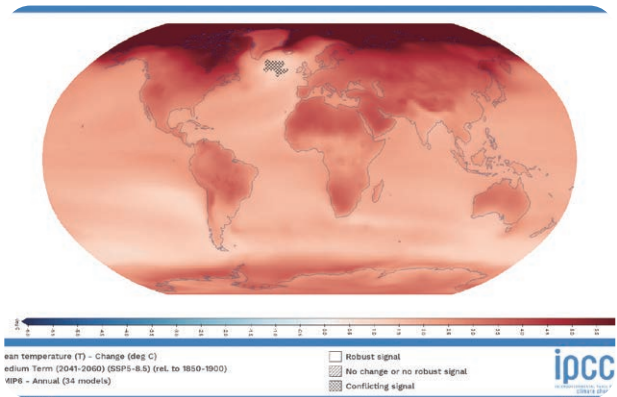
- For transit depots, warehouses and industrial parks located in low-lying areas, a comprehensive inspection of drainage facilities is carried out in advance, and drainage renovation projects are implemented according to local flood control standards to effectively deal with potential flood risks.
- On the basis of the news released by the China Meteorological Administration and the Ministry of Water Resources, SF's command and security center issued emergency plans such as the *Emergency Response Plan for Flood Control* and the *Abnormal Weather Response Plan* to the whole network through emails and other forms of communication, so as to prevent the safety risks brought by the flood season by making work arrangements in advance, including organizing activities for safeguards, daily precautions (personnel safety, parcel safety, driving safety, site safety and materials reserve) and responses during different processes.

Type of Risk	Risk Factors	Period of Influence	Impact of Value Chain	Degree of Impact
--------------	--------------	---------------------	-----------------------	------------------

Chronic risk	Average temperature rise	Medium to long term	Operations	Medium to High
--------------	--------------------------	---------------------	------------	----------------

Risk Analysis

Global warming will cause an increase in average temperatures, adversely affecting SF's operations.



Long-term changes in global average temperature under high emission scenarios

- The continuous rise in temperature has a significant impact on the work efficiency of outdoor workers (such as couriers). High temperature environments can cause employee fatigue, heat stroke or other health problems, which can reduce work productivity. At the same time, the implementation of high temperature subsidies and working environment improvement measures may further increase operating costs.
- High temperature weather may also have an impact on cold chain logistics systems (such as cold storage and refrigerated transport vehicles), resulting in increased refrigerant usage, thus increasing refrigeration costs.
- High summer temperatures and changes in temperature differences within the area covered by the business may adversely affect the storage and transportation conditions of consignments, thereby increasing the risk of potential loss of revenue.

Countermeasures

- By integrating external weather forecast information, we gradually build and optimize the weather monitoring system, release high temperature warning indicators in advance, and help staff take countermeasures in advance to reduce the risks caused by extreme high temperatures.
- We implement safety and health protection measures for high-temperature operations, including equipping portable fans and other cooling equipment, implementing special ventilation and cooling renovation projects, scientifically arranging work and rest times and so on to reduce the potential hazards of extreme high temperatures to employees' health.
- Based on the national urban temperature data and routing data, an ambient temperature analysis model is established to divide the country into different temperature zones, and differentiated temperature control materials and composite temperature control technologies are adopted according to the characteristics of each temperature zone to form a temperature-controlled packaging based on temperature zones and flow directions. It effectively alleviates the possible impact of extreme temperatures on consignments.

Transition Risks

Transformation risks refer to the risks faced by the Company due to changes in policies, laws, technologies and markets in the process of coping with climate change and transforming of the sustainable development economic model. Through the analysis of macro environment, industry trends and internal research data, combined with the International Energy Agency’s (IEA)¹⁶ Stated Policies Scenario (STEP) and Net Zero by 2050 (NZE), SF focuses on assessing policy and regulatory risks, technology risks, market risks and reputational risks, identifies the impact of energy transition and policy changes on the company’s business model, analyzes the company’s transition risks and opportunities under different climate scenarios, and provides scientific basis for formulating low-carbon transition strategies.

Scenario Type	Selected Scenario	Scenario Source	Scenario Application Description	Scenario Forecasting
High emission scenario	Stated Policies Scenario (STEP)	IEA	The scenario reflects the current policy environment and is based on a case-by-case assessment of specific policies across sectors, as well as policies already announced by governments, providing a benchmark for assessing potential outcomes (and limitations) of recent developments in energy and climate policy	<p>International climate policy: Some countries and regions have not yet set clear climate goals and lack detailed climate action plans.</p> <p>International business model: The profit-driven business model focuses on short-term financial returns, ignores environmental and social impacts, and there is no significant fluctuation in the renewable energy mix.</p> <p>Domestic greenhouse gas emissions: In 2030, greenhouse gases will increase by 40% compared with 2020.</p> <p>Domestic energy structure: The proportion of non-fossil energy in total energy consumption is the same as in 2020, about 16%.</p> <p>Domestic carbon price: The carbon price in 2030 will be the same as that in 2024, approximately RMB69.67/ton-RMB106.02/ton¹⁷.</p> <p>Domestic automobile structure: The proportion of newly registered new energy vehicles in the total number of newly registered vehicles is the same as in 2023, about 30.25%¹⁸</p> <p>Domestic logistics transportation mode: maintaining the existing logistics transportation mode</p>

¹⁶ The IEA model mainly focuses on the impact of energy system and policy changes on carbon emissions, reflects changes in energy demand, supply and carbon emissions under different policy and technology paths, and is suitable for assessing transition risks related to energy transition and policy changes.

¹⁷ Source: Shanghai Environment and Energy Exchange releases annual comprehensive price trends and transaction information of the national carbon market.

¹⁸ Source: The Ministry of Public Security of the People's Republic of China released *The number of motor vehicles nationwide reaches 435 million, drivers reaches 523 million, and the number of new energy vehicles exceeds 20 million*

Scenario Type	Selected Scenario	Scenario Source	Scenario Application Description	Scenario Forecasting
Low emission scenarios	Net Zero by 2050 (NZE)	IEA	This scenario is an ideal scenario that refers to the successful achievement of the goal of net-zero carbon dioxide emissions around 2050 through strict climate policies and innovation, limiting global warming to 1.5°C	<p>International climate policy: Major countries and regions in the world announce their respective carbon neutrality paths, including Chinese “Carbon Peak” and “Carbon Neutrality” goals, and strictly implement them.</p> <p>International business model: Accelerate the transition from a traditional economic model that relies on fossil fuels to a green economic model driven by renewable energy.</p> <p>Domestic greenhouse gas emissions: By 2030, China's carbon dioxide emissions per unit of gross domestic product (GDP) will decrease by more than 65%¹⁹ compared with 2005 and 18%²⁰ compared with 2020.</p> <p>Domestic energy structure: By 2025, non-fossil energy will account for about 20% of total energy consumption, and by 2030, the proportion of non-fossil energy consumption will reach about 25%²¹.</p> <p>Domestic carbon price: It is estimated that in 2030, the carbon price will reach RMB207/ton (baseline + quota auction + total control scenario)²².</p> <p>Domestic automobile structure: By 2030, the proportion of new energy and clean energy vehicles will reach about 40%²³.</p> <p>Domestic logistics transportation mode: Change from the existing logistics transportation mode to the multimodal transportation mode with railways and waterways as the backbone, vigorously promote the intermodal transportation of rail and water, continue to promote the transportation of bulk goods and medium and long-distance goods “road-to-rail” and “road-to-water”, and vigorously develop high-speed rail express²⁴.</p>

¹⁹ Source: *Progress on the Implementation of China's Nationally Determined Contributions (2022)*

²⁰ Source: *Opinions of the State Council of the People's Republic of China on Fully, Accurately, and Comprehensively Implementing the New Development Philosophy to Achieve Carbon Peak and Carbon Neutrality Goals*

²¹ Source: *Outline of the 14th Five-Year Plan (2021-2025) by the National Development and Reform Commission*

²² Source: Refinitiv releases “2023 China Carbon Market Long-term Carbon Price Forecast Report”

²³ Source: The Ministry of Industry and Information Technology, the National Development and Reform Commission, and the Ministry of Ecology and Environment issued the *Implementation Plan for Carbon Peaking in the Industrial Sector*

²⁴ Source: Implementation Opinions of the Ministry of Transport, the National Railway Administration, the Civil Aviation Administration of China, and the State Post Bureau on the *Implementing the Opinions of the State Council of the People's Republic of China on Fully, Accurately, and Comprehensively Implementing the New Development Philosophy to Achieve Carbon Peak and Carbon Neutrality Goals*

The policy supervision under the low emission scenario is the strictest, and the transformation risk has the greatest impact on the company. Therefore, the company has carried out the transformation risk analysis under the low emission scenario:

Type of Risk	Risk Factors	Period of Influence	Impact of Value Chain	Degree of Impact
Policy and regulatory risks	Greenhouse gas emission reduction policy pressure	Short term, medium term and long term	Logistics, operations and sales	Medium to high
Risk Analysis				
<div><div></div>Since the announcement of the “Carbon Peaking and Carbon Neutrality” goal, China has successively issued a series of relevant policies for the fields of energy, transportation and logistics, such as the <i>Plan for Modern Logistics Development during the “14th Five-Year Plan” Period</i> and the <i>Outline for the Development of Green Aviation Manufacturing Industry (2023-2035)</i>, to promote the green and low-carbon transformation of the economy. These pressures from the relevant macro policy adjustments will influence SF’s core business activities such as express transportation and warehousing services, which may have an impact on SF’s business model, and may also lead to an increase in SF’s expenses on environmental protection, energy conservation and emission reduction and other related activities.</div> <div><div></div>In terms of offshore compliance, the EU-ETS has included the air transport sector, aiming to reduce the carbon emissions of aviation through market mechanisms. With the rapid expansion of SF Airlines freighter fleet and the increased demand for intercontinental routes, SF Airlines may be included within the scope of carbon emission trading control in the future, which may lead to an increase in additional operating costs.</div>				
Countermeasures				
<div><div></div>SF has a policy research team to deeply analyze national and local policies, continuously track the dynamic changes of domestic and foreign laws and regulations, and incorporate them into the risk assessment system. At the same time, combined with changes in the internal and external environment, formulate strategic plans in advance to cope with policy adjustments.</div> <div><div></div>In terms of international route operations, SF continues to monitor the flight volume of EU routes and pays close attention to the latest policy trends of the EU ETS carbon emissions trading system. The Company established a special working group on carbon emissions on EU routes and formulated the <i>Guidelines of EU Route Carbon Emission</i> to systematically build carbon management capabilities, integrate relevant resources, cultivate professional teams, and deploy risk response measures in advance.</div> <div><div></div>SF engages a third-party professional organization to carry out carbon emission verification every year to fully gain a deeper understanding of its own carbon emission status, and at the same time implements refined energy-saving and carbon reduction management measures to promote scientific and standardized emission reduction work processes.</div>				
Type of Risk	Risk Factors	Period of Influence	Impact of Value Chain	Degree of Impact
Technical risks	R&D and investment in low-carbon transformation technologies	Short term, medium term, long term	Logistics and operations	Medium to high
Risk Analysis				
<div><div></div>Driven by policy guidance and external market environment, the research, development and application of new energy and carbon reduction technologies in the field of logistics and transportation have received increasing attention, such as the practice of innovative technologies such as hydrogen fuel cell vehicles and sustainable aviation fuel (SAF) in the transportation link. SF continues to increase the deployment of new energy vehicles in the field of land transportation, while continues to expand the scale of its own cargo aircraft in the field of air transportation and pilot SAF commercial flights. The application and promotion of new energy technologies in transportation scenarios requires a certain amount of increased investment, which may increase cost pressure in the short term.</div>				
Countermeasures				
<div><div></div>SF actively participated in domestic and foreign sustainable aviation fuel (SAF) application pilot project discussions, paid close attention to SAF market dynamics and commercial application scenarios, and successfully achieved the first SAF commercial flight on December 19, 2024. The domestically produced SAF refueled can achieve a reduction of 1,600 kilograms of carbon emissions in the entire lifecycle scenario</div> <div><div></div>Based on the technological maturity of new energy vehicles and the actual situation of energy replenishment facilities, SF selects specific areas or routes to carry out pilot operations of new energy vehicles such as liquefied natural gas (LNG), compressed natural gas (CNG), methanol and hydrogen fuel.</div>				

Climate Opportunities

In the process of transitioning to a low-carbon economy, SF turns challenges into development opportunities through forward-looking climate adaptation measures. The Company actively explores new opportunities arising from energy structure adjustment, market demand evolution and technological innovation, develops green products and services, enhances supply chain resilience, promotes business model innovation, and injects new momentum into sustainable development.

Types of opportunities	Opportunity Factors	Period of Influence	Impact of Value Chain	Degree of Impact
Product and service opportunities	Development and/or expansion of low-emission products and services	Short term, medium term and long term	Operations and sales	Medium to high
Opportunity Analysis				
<div><div></div>Policy opportunities: In recent years, China has successively issued policy documents such as the <i>14th Five-Year Plan for Circular Economy Development</i> and the <i>Instruction on Accelerating the Construction of a Waste Recycling System</i>, clearly proposing to comprehensively implement a circular production model and build a circular economy for various industries. The economic system provides strong policy support and resource guarantee. SF actively responds to policy guidance, deeply participates in the green transformation of the industry, and seizes the strategic highland of circular economy.</div> <div><div></div>Market opportunities: As attention to climate issues continues to increase, the demand structure of downstream customers and consumers has accelerated its transformation to green and low-carbon services, and the demand for sustainable supply chain solutions has increased significantly. By actively upgrading its green service capabilities, SF not only enhances customer stickiness and market competitiveness, but also promotes the low-carbon collaborative transformation of the upstream and downstream of the industrial chain, injecting new momentum into the green development of the industry.</div>				
Countermeasures				
<div><div></div>Building a circular ecosystem: SF actively responds to the development trend of circular economy, comprehensively builds a circular ecosystem for express packaging, collaborates with industrial chain partners to innovate the green and low-carbon recycling model of plastics, and deeply participates in the formulation of green packaging standards for “double easy” (easy to recycle and easy to regenerate) in the express delivery industry. Through the continuous implementation of the “Fengjing Plan”, SF has achieved remarkable results in the fields of packaging reduction, reuse, recycling and degradation. In 2024, SF invests approximately 6.435 million recycled woven bags and 6.26 million recycled packaging containers to stimulate customers’ enthusiasm for participating in recycling and helps the high-quality development of the circular economy.</div> <div><div></div>Digital and intelligent low-carbon solutions: SF has established cooperation with multiple brand customers, relying on the self-developed “Fenghe Platform” carbon emission calculation model to provide customers with accurate measurement services for greenhouse gas emissions in the transportation process, improve the transparency of carbon emission data, and tailor green and low-carbon logistics solutions for customers to promote the green transformation of the entire supply chain.</div>				
Types of Opportunities	Opportunity Factors	Period of Influence	Impact of Value chain	Degree of Impact
Resource efficiency	Adopt more efficient transportation modes	Short term, medium term and long term	Logistics and operations	Medium to high
Opportunity Analysis				
<p>With the popularization and promotion of the concept of green logistics, multimodal transport, as an important strategy to promote the low-carbon transformation of the industry, is receiving widespread attention. China continues to promote the <i>Work Plan for Optimizing the Development of Multimodal Transport and Adjusting the Transport Structure (2021-2025)</i>, aiming to build a unified and open transportation service market, promote the deep integration of roads, railways, waterways and aviation, improve comprehensive transportation efficiency, and reduce logistics costs help achieve energy conservation and carbon reduction goals in transportation. This policy orientation provides an important opportunity for SF to expand its multimodal transport mode.</p>				
Countermeasures				
<p>SF gives full play to the resource advantages of aviation, land transportation and delivery hubs, and actively expands the multimodal transport mode of “Road, Rail, Waterways and Air”. In the field of bulk cargo transportation, SF participates in the national multimodal transport demonstration project and continues to optimize the transportation organization model. In 2024, SF cooperated with China Railway Container Transport Xi’an Branch to successfully launch a container multimodal transport train from Xi’an to Urumqi, innovating the “Railway + Express Delivery” integration model, significantly improving transportation efficiency and reducing carbon emissions. At the same time, SF actively explores the innovative logistics mode of Air-Rail intermodal transport, launches demonstration projects in Wuxi, Shenzhen and other places, and jointly promotes the deep integration of rail transit and modern logistics with partners. By efficiently utilizing urban rail transit transportation resources, it not only alleviates road traffic pressure, but also provides an innovative practice model for the green and low-carbon transformation of the logistics industry.</p>				

Risk Management

SF deeply integrates climate change risks into the enterprise risk management framework, ensuring that climate-related risks are effectively identified, managed and disclosed. The Company regularly organizes discussions and analyses on issues related to climate change, continuously supervises and follows up on the handling of climate-related risks, continuously optimizes the risk management and control mechanism and management capabilities in daily work, and improves the Company's ability to cope with climate risks.

Risk environment analysis

SF continues to pay attention to and analyse changes in the internal and external environment brought about by climate-related risks, including pressures exerted by external policies, market trends, SF's risk tolerance, and business operation models. If environmental changes have a significant impact on risk management strategies or measures, SF's risk management and control department will make timely adjustments to the risk control strategy planning.

Goal setting and risk identification of risk control

Based on SF's goals of risk control, it conducts in-depth research and analysis on the internal and external conditions and key matters affecting the realization of the objectives, covering multiple aspects such as internal management, external economic environment, natural environment and laws, regulations and policies. In this case, we can identify and sort out the list of risks related to climate change.

Risk assessment

SF adopts a combination of quantitative and qualitative methods to conduct climate risk analysis and assessment. Based on the probability of risk occurrence and the degree of impact on SF's objectives, the identified risks are prioritized and the risks that are confirmed to be given the extensive focus and the priority to control. As a result, the risks can provide information for the reference of formulation and adjustment of SF's development strategy.

Risk responses

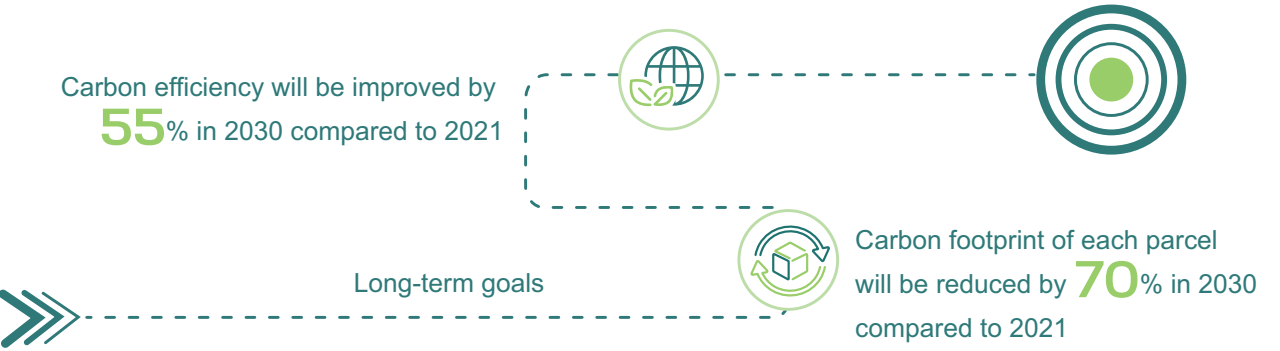
Taking into account the causes and tolerance of risks, SF weighs risks and benefits, brand reputation, social responsibility and other factors, and based on the results of risk analysis, the Board of Directors will review and determine appropriate and effective risk response plans to ensure SF's stable development.

Supervision and improvement

SF continues to follow up, monitor and manage the handling of climate-related risks. In daily work, SF improves its ability to cope with climate risks by continuously optimizing its risk control mechanism and management capabilities.

Metrics and Targets

As the largest comprehensive logistics service provider in China and Asia and the fourth largest in the world, SF has always adhered to the concept of sustainable and healthy development, deeply realized the importance of participating in global climate action, actively responded to global carbon reduction initiatives, and implemented the national "Carbon Peak and Carbon Neutrality" strategy to contribute to the realization of the long-term goals of the Paris Agreement. Based on past carbon reduction achievements, SF released the industry's first *Carbon Target White Paper*, promising to increase its own carbon efficiency by 55% in 2030 compared with 2021, and reduce the carbon footprint of each parcel by 70% compared with 2021. In November 2023, SF officially signed and submitted the *Business Ambition for 1.5°C Commitment Letter* to the "Science-Based Carbon Target Initiative" (SBTi), demonstrating the company's commitment to achieving science-based greenhouse gas emission reduction targets and striving to achieve net-zero emissions in the value chain by 2050.



		Indicators	Progress on Climate Action	Future Planning/Goal Setting
Scope 1 and scope 2	Clean energy		<ul style="list-style-type: none">As of the end of 2024, SF has a total of 35 industrial park photovoltaic projects in operation and construction, with a total installed capacity of 145 MW.In 2024, the construction of rooftop photovoltaic power stations in 24 industrial parks has been completed, with an overall installed capacity of more than 111 MW. The annual renewable energy power generation exceeds 70 million kWh, and clean energy usage exceeds 42 million kWh.	SF plans to continue the construction of 15-18 industrial park photovoltaic projects in 2025, with an estimated installed capacity of 50 MW. By the end of 2025, all photovoltaic projects are expected to be completed and operational. By then, the total installed capacity of photovoltaic equipment in the industrial park is expected to reach 170 MW, with an annual power generation of approximately 140 million kWh, achieving a stable supply of green electricity.
	Green transportation		<ul style="list-style-type: none">In 2024, SF actively adjusted the structure of transport vehicles, continue to optimize the selection and replacement of traditional fuel vehicles, and further expand the proportion of new energy fleets. As of the end of 2024, SF has deployed more than 40,000 new energy vehicles, covering 253 cities.	In 2025, SF will continue to combine the maturity of factors such as new energy vehicle battery technology and energy replenishment conditions, and continue to promote the pilot and application of LNG, CNG, methanol, hydrogen and other fuel vehicles in some regions or lines. By 2030, SF will strive to achieve 100% electrification rate of vehicle equipment in aviation bases.
	Green packaging		<ul style="list-style-type: none">In 2024, through green packaging measures such as packaging reduction, recycling, and degradation, carbon emissions are reduced by approximately 664,000 tons, the use of packaging base paper are reduced by 42,000 tons, and the use of plastics are reduced by approximately 155,000 tons.	By 2030, we will strive to switch 100% of standard plastic bags to recycled plastic bags.
Scope 3				

Social

Fostering a Responsible Logistics Ecosystem through Mutual Benefit and Symbiosis

SF has always followed the philosophy of "Co-benefit and Coexistence," with the overarching goal of creating a "Responsible Logistics Ecosystem." We are committed to fostering a win-win sustainable development ecosystem through our business activities. Toward our clients, we continuously enhance service scenarios and response efficiency while meeting diverse needs through intelligent solutions and customized services, driving value enhancement. For our employees, we follow the concept of "people-oriented care," protect their rights and interests in line with the law, broaden career development pathways, and foster an equal and inclusive workplace environment to support the mutual growth of employees and the company. For our partners, we deepen strategic collaboration, share resources and technological capabilities, and promote green and low-carbon cooperation to drive the high-quality development of the value chain. Toward the public, we actively fulfill our social responsibilities by participating in livelihood projects such as rural revitalization and emergency supply guarantee. We share the achievements of our corporate development with society and promote the deep integration of economic and social values. SF always takes "responsibility" as the bond and works with all parties to contribute to building a better society.

- Construction of Talent Team
- Protecting Employees' Rights and Interests
- Stand Firm on the Frontline of Safety
- Stable and Safe Production
- Building a Responsibility Value Chain
- Sustaining Commitments to Social Wellbeing

SF EXPRESS

F6

SF EXPRESS



Construction of Talent Team

SF has always regarded talent as the core driving force of corporate development and placed great emphasis on building a talent team. We are committed to developing a professional and high-caliber talent echelon through scientific talent recruitment, training, and incentive mechanisms. In 2024, guided by the principle of "specialized personnel, focused on specific industries," we concentrated on cultivating compound talents with industry insights and professional skills to provide customers with more precise and efficient logistics solutions. We also continued to optimize our management model by shifting the management focus forward and closer to the front line of business. This allowed us to strengthen our incentive mechanisms and fully activate operations. By establishing a comprehensive training system and diversified career development pathways, we supported the growth of our employees and laid a solid foundation for the company's sustainable development.

Talent Recruitment

SF strictly abides by the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, as well as other relevant laws and regulations. The company has established the *SF Recruitment Management System* to regulate the entire recruitment process. It strictly adheres to the principles of fair, just, and open recruitment, and implements measures such as quarterly compliance reviews of recruitment activities, interviewer training, and qualification certification for interviewers to ensure the standardization and transparency of talent recruitment.

The company has established a diversified talent acquisition network by integrating multiple channels, including campus recruitment, social recruitment, school-enterprise cooperation, internal referral, and others, to precisely align with business development needs. In the area of recruitment channel development, the company continues to optimize the functions of its own recruitment platform, deepen collaboration with leading recruitment platforms, and innovatively leverage new media platforms such as WeChat mini-programs and Douyin for targeted communication. These initiatives collectively drive dual improvements in talent reach efficiency and employer brand influence.

In 2024, the company prioritizes the recruitment of specialized talents for industry solutions, enhancing its strategic talent pool through a standardized recruitment process and an end-to-end management system. In response to its international business expansion, the company specifically targeted the introduction of bilingual/multilingual talents with cross-border business capabilities to provide robust support for overseas market development.

In 2024, SF receives several employer branding awards, including:



School-Enterprise Cooperation

The company highly values the development of a campus talent ecosystem. By leveraging multi-dimensional cooperation such as industry-university-research collaboration, joint talent cultivation, and the transformation of scientific research and innovation achievements, it realizes the organic integration of the education chain, talent chain, industrial chain, and innovation chain. This, in turn, effectively supports the company's sustainable innovation and development.

Joint Cultivation of Innovative Talent Model

- ① SF Supply Chain Management Industry College: As of the end of the reporting period, it has reached 18 universities, including Taizhou Institute of Science and Technology Vocational and Technical College and Shenzhen Technology University, etc.
- ② International Talent Pre-identification: Special talent pipelines have been established with universities such as the Massachusetts Institute of Technology, Beijing Foreign Studies University, and Sichuan International Studies University to accurately meet the demand for global talent.
- ③ Construction of Smart Logistics Internship Bases: Jointly constructed internship bases with over 100 universities, including Southwest Jiaotong University, Shenzhen University, and Henan University, hosting over 5,000 interns in 2024.

Co-Construction of Intelligent Logistics Laboratory

Focusing on core areas such as intelligent logistics, and sustainable urban development (low-carbon logistics, urban safety), we have jointly built a practice base that integrates teaching and training, project practice, and scientific research. We have already carried out in-depth cooperation with Zhejiang University.



Collaborating with Shenzhen Technology University to Establish an Intelligent Logistics Industry-Education Integration Training Base

Transformation of Scientific Research Results

Setting up post-doctoral workstations and conducting joint doctoral training with Zhejiang University; focusing on the research and implementation of intelligent planning and scheduling models, large language models, and multimodal models in logistics and supply chain.

Talent Training and Career Development

SF places great emphasis on the career development of its employees, and has established clear and diversified career development pathways for all employees, providing broad career development opportunities. The company fully supports employees in achieving their personal career goals. SF has built a scientific and systematic talent development system. Through customized training programs and capability enhancement plans, the company comprehensively strengthens employees' professional qualities and overall capabilities. This not only empowers employees' growth but also injects a continuous stream of talent into the company's sustainable development.

Talent Training

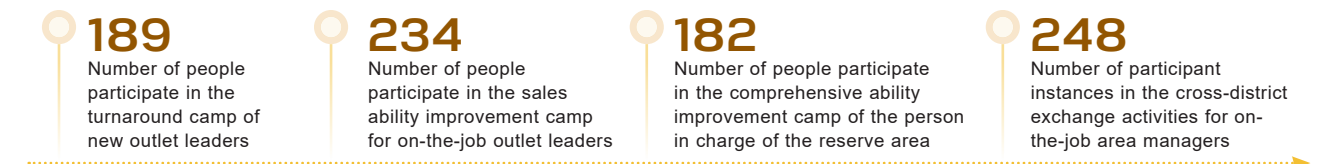
SF embraces the philosophy that "talent is the primary productive force" and has established a comprehensive talent development system that covers grassroots employees, middle-management cadres, professional technical teams, and senior management personnel.



Focusing on the talent development system, the Company provides a wide range of training courses and specialized learning resources for all employees, including part-time and contractors, to meet their needs for career development and capability enhancement. Meanwhile, leveraging the "Fengsheng" platform, the Company has developed a one-stop employee development micro-application. Centered around four key modules – "Current Role Development," "Company Training," "Development Planning," and "Development Opportunities" – the application precisely matches career pathways with skill enhancement resources, thereby empowering employee growth.

Grassroots Manager Development Program: Xin Feng Plan

The "Xinfeng Plan" focuses on leadership development for grassroots managers, continuously refines job-specific training standards based on role functions and business scenarios, and leverages the "Jizhi Feng Course" initiative to develop high-quality curriculum resources. This ensures that grassroots managers have access to training resources that better meet practical needs. In 2024, the program will conduct "Offline Special Training Camps for Responsible Persons" in multiple regions and target groups nationwide to enhance their business execution capabilities.



Middle Management Development Program: Fengyun Plan

The "Fengyun Plan" is a leadership development program designed for reserve functional department leaders. It adopts a "online cognitive foundation + offline practical deepening" model, systematically enhancing the comprehensive management capabilities of the reserve talent pool through new leader experience sharing, business case studies, and feedback from business area leaders. This approach ensures a sustainable and high-quality pipeline of talent for functional leadership positions. In 2024, a total of 5 offline training sessions were held, covering 236 reserve talents.



SF's 24th "Fengyun Plan" training site (Hangzhou site)



Senior Management Industry Visit Site

Senior Management Development Program: Beacon Training Camp

The "Beacon Training Camp" is designed to enhance the comprehensive leadership capabilities of business area leaders. Through industry visits, strategic war-gaming exercises, and other forms of experiential learning, the program continuously improves the business acumen and strategic execution skills of these leaders. This drives sustainable growth in regional operating performance and ensures that the company maintains a competitive edge in a highly competitive environment. In 2024, one training session was held under the theme of "deepening industry focus and improving operational efficiency."

Curriculum and Lecturer Ecosystem Development

Curriculum Ecosystem Development: The Company has established a tiered and categorized curriculum management system, continuously refined the operation mechanism of the "Ji Zhi Feng Course" initiative, increased the number of Group-certified courses, and enhanced the course satisfaction rate for demand scenarios. Additionally, the Company has rolled out personalized learning resource libraries tailored to different professional teams. In 2024, a total of 194 high-quality courses were launched, covering topics such as business planning, business development, and leadership enhancement.

In 2024, over **7,000** new online training courses were added, of which **908** courses were certified by the organization and **58** courses were certified by the Group.

Lecturer Team Development: SF places a high emphasis on the inheritance and accumulation of knowledge, skills, and culture, with internal lecturers serving as key drivers of this process. The Company certifies lecturers based on their curriculum development and teaching abilities, implementing a unified, tiered management system that includes five levels: Lecturer, Intermediate Lecturer, Senior Lecturer, Expert, and Professor. Each level of lecturer is assigned basic teaching or curriculum development tasks annually, and corresponding teaching and curriculum development allowances are provided in accordance with the *SF Lecturer Management System*. In 2024, the Company stimulated lecturer potential through various initiatives, including the “Ji Zhi Feng Course” creation activities, Authorized Lecturer Certification (Star Plan), lecturer empowerment programs, and honor selection and showcase events. These efforts attracted business leaders with rich practical experience, enhancing the reserve and overall quality of lecturers and building a professional and dynamic lecturer team.

In 2024, a total of **18,210** instructors were added to the database, an increase of **2,979** compared with 2023. The lecturer activity rate reached **60%**, up by **4** percentage points from 2023.

Support for Degree Programs and Professional Skills Certifications

SF encourages all employees (including part-time and contractors) to pursue degree programs and obtain skills certifications, offering support like expense reimbursement to foster their self-development.

“SF Sends You to University” Program

Through the “SF Send You to College” program, the Company has established a growth platform for employees to enhance their academic qualifications, skills, and overall quality. This initiative supports employees in improving their academic credentials and professional capabilities, thereby broadening their career development pathways. In 2024, the Company revised the “*SF Sends You to College*” *Project Management Measures* to standardize the subsidy policies for academic and skills enhancement. Financial support is provided to all eligible employees, including part-time workers and contractors, who meet the application criteria.



“SF Sends You to College” 2024 Freshman Opening Ceremony

2024

2,309

Number of employees who completed the “SF Sends You to College” program and obtained academic certificates or credentials

More than RMB 2.89 million

Cumulative subsidies granted to employees under the “SF Sends You to College” program

Vocational Skills Certification

The Company has established a diversified outbound learning mechanism to encourage employees to obtain professional qualification certifications related to their jobs, participate in advanced certificate training, and engage in short-term outbound programs (such as academic forums, industry seminars, and external open courses). In 2024, the Company will continue to provide outbound learning support for employees, and in conjunction with the development of the job qualification system, will increase support for advanced certificate training and short-term outbound programs. This effort aims to enhance employees’ professional capabilities and industry competitiveness on an ongoing basis.

2024

15,000

Participation count of the workforce holding the Vocational Skill Certification

2,282

Number of employees who have received education and skills upgrading subsidies

RMB 5.76 million

Total subsidy for academic qualifications and skills

‘SF Cup’ National Job Skills Competition

In August 2024, under the guidance of the National Defence, Posts and Telecommunications Union of the All-China Federation of Trade Unions, the Guangzhou Federation of Trade Unions, and the Yuexiu District Federation of Trade Unions, the SF Group Trade Union and the Group’s Operations jointly hosted the third “SF Cup” National Job Skills Competition, which was successfully concluded in Guangzhou. This year’s competition consisted of a national qualifying competition, regional semi-finals, and national finals. It featured four core job tracks: collection and delivery, transshipment, warehouse management, and driver, attracting the participation of 540,000 employees nationwide.



The 3rd “SF Cup” Job Skills Competition Finals Site

In the national finals, 62 individual and team honors were awarded through theoretical assessment and scenario-based practical competitions such as intelligent sorting, precise loading and unloading, and safe driving. The competition simultaneously introduced the innovative model of “skills exhibition + industry empowerment.” The live broadcast of the practical sessions attracted over 600,000 viewers, showcasing the professionalism of logistics practitioners to society and providing a demonstration sample for the upgrade of industry skill standards.

Career Development

SF has set up a “dual-channel” career development system, which provides employees with diversified development paths such as vertical grade promotion, horizontal transfer, and rotation, and offers full-cycle support.

Systematic support

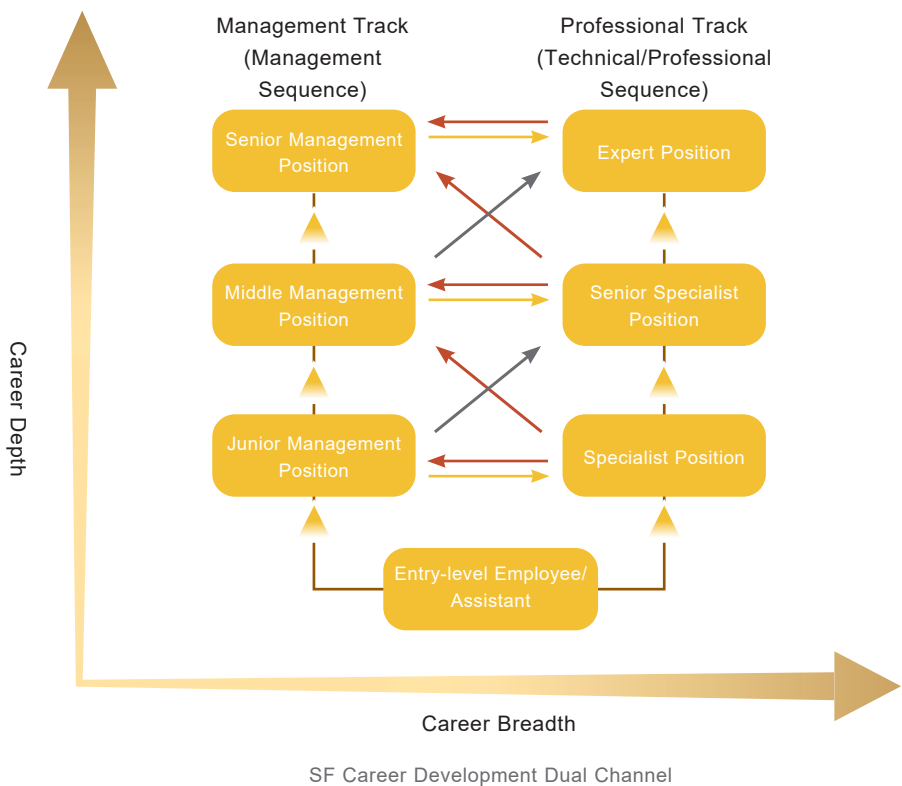
Through the *Talent Management System*, we clarify the promotion principles and standards, emphasize the matching of people and jobs and value contributions, provide training guidance, resource support, and feedback and incentives for employees, and create an open and transparent promotion environment.

Fairness mechanism

Establish an open and transparent internal competition and evaluation mechanism to ensure fair and accessible promotion opportunities, and simultaneously improve the complaint acceptance mechanism to supervise and correct irregularities and safeguard the health of the talent ecosystem.

Value-oriented

Employees with outstanding performance and remarkable contributions are given priority in development opportunities, matched with dedicated learning resources and incentive policies to achieve a win-win situation for personal growth and corporate development.



Management Development Channel	By leading and managing the team, we can enhance our management and professional capabilities, secure management promotions, and thereby achieve self-development.
Professional Development Channel	Continuous in-depth development in the professional field and the pursuit of professional skills. The company regularly assesses the professional qualifications of its specialists and assigns professional levels to employees through scientific and objective assessment criteria.

Talent Succession Planning

The Company places a high priority on talent reserves for key positions and is committed to developing a systematic and forward-looking talent pipeline. In 2024, the Company established a comprehensive and in-depth succession planning program for successors of senior management and regional leaders. By integrating scientific selection, customized training, and hands-on experience, the program ensures that key positions are adequately staffed with capable individuals, thereby providing a robust talent foundation for the Company’s long-term and stable development.

For the successors of senior management, the Company adheres to the principle of “selecting the best among the best,” establishing an internal talent pool and designing customized development programs focused on strategic leadership. Through a blend of training and practical experience – such as executive experience-sharing sessions, leadership enhancement workshops, and visits to industry-leading companies – a total of 24 successors were successfully promoted throughout the year. This initiative has injected fresh blood into the Company’s strategic decision-making layer.

For the successors of regional leaders, the Company conducted an in-depth analysis of job responsibilities and key scenarios, establishing an integrated mechanism of “selection, development, and experiential learning.” By combining internal competitions and external recruitment, the Company further expanded its talent pool. Additionally, the Company set up challenging rotational assignments, supplemented by multi-dimensional assessment methods such as mentorship, phased evaluations, and stakeholder interviews, to ensure a high match between successors’ capabilities and job requirements. In 2024, the Company recruited a total of 22 candidates for business area leadership roles, of whom 16 successors have successfully entered the job rotation phase, thereby reserving high-quality talent for key positions.

Development of Pre-Retirement Employees

SF pays attention to the development of pre-retirement employees, formulates the *Management Measures for Pre-Retirement Development and Re-hiring*, and creates an innovative dual-track mechanism of “experience inheritance + career continuation.”

Experience inheritance: Create a full-time mentor position in the collection and dispatch role to provide a career transition path for older senior couriers.

The number of people who became full-time mentors in the collection and delivery positions after starting as junior couriers in 2024 **526**



The master, positioned in the middle, accompanied by his apprentice



The master imparts valuable experience to his colleagues

Career continuation: Outstanding employees who have reached the statutory retirement age and meet the physical condition standards are eligible for rehire in their original positions or in special roles such as inspectors, thereby extending their career value cycle.

35 Number of Retired Employees Rejoining as of December 31, 2024



Twin Sisters Returned from Honorary Retirement



Retirement and rehiring of couriers

Special Topic

Supporting employees' multi-faceted development and living a vibrant life with a thousand facets

SF always believes that every employee has unlimited potential. Based on strategic orientation and business development needs, the company has established diversified internal talent development programs to provide employees with transfer opportunities and resource support, fully activate their potential, and help them achieve diversified career development.

From Grassroots Employee to Cargo Captain

Since 2007, SF has supported nearly 120 employees achieve career transitions to professional positions in the aviation field, including pilots, flight dispatchers, and aircraft maintenance technicians. Many of these individuals have emerged as outstanding talents from front-line grassroots positions.

Wang Qinjin, a line captain at SF Airline, joined the company as a warehouse operator in 2009, responsible for managing the ingress and egress of express shipments. In 2010, he successfully transitioned to a pilot role through the company's aviation talent selection program, "Fengyi Action", and passed the captaincy assessment in 2018, completing a remarkable transformation from warehouse operator to line captain. By 2024, he had accumulated over 630 hours of safe flight time.

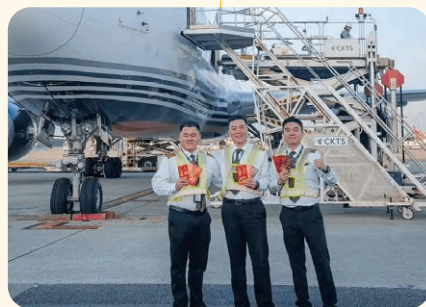


From Grassroots Employee to Area Leader

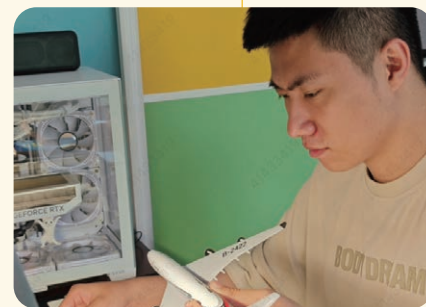
Zeng Yiming, the Area Manager of SF Express, joined the company as a warehouse operator in 2011. In 2017, he participated in the "Dream Realization Plan" under the company's employee welfare policy "SF sends you to college," and pursued further studies in logistics management at Nankai University, systematically enhancing his professional knowledge. Meanwhile, he fully leveraged the functional training and practical opportunities provided by the Company to comprehensively improve his capabilities in team management, policy implementation, product design, and business integration. In 2024, he was promoted to Area Manager due to his outstanding performance and accumulated experience.



In 2024, over 23,000 SF employees embarked on the path of diversified development, advancing to 32 key positions or fields, in pursuit of their career dreams and a multifaceted life.



Evolved from a regular employee to a co-pilot



Transitioned from a regular employee to a flight cadet

84

Number of employees who have transitioned from general roles to aviation professional positions

721

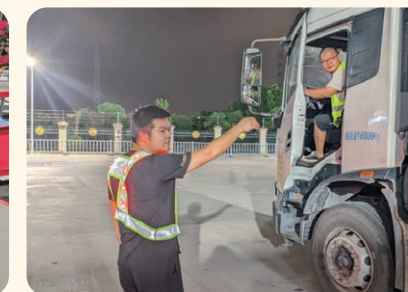
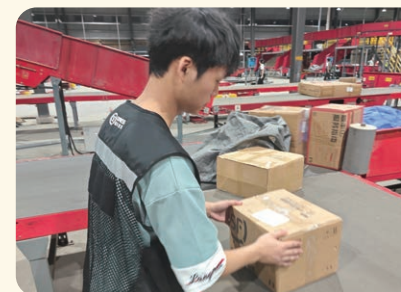
Number of employees who have transitioned from first-and second-line roles to professionals



Grew from front-line and second-line roles to a port manager



Transitioned from front-line and second-line staff to a senior operations management specialist



From a courier to a team leader in operations

11,556

Number of couriers who have transitioned to management at all levels

Performance Management and Compensation Incentive

SF consistently recognizes and values the contributions of its employees and is committed to developing a robust, science-based performance management and compensation incentive framework. This framework is designed to objectively and comprehensively assess employees' value creation, thereby enhancing the vitality and stability of the talent pool while driving the collective growth of employees and the company.

Performance Management

SF adheres to the "Three Highs" performance management principles of "high-quality talent, high-value output, and high-reward incentives," fostering a performance management culture that ensures alignment between management and employees on common goals and drives effective execution through performance assessments. This ensures that organizational performance goals, management commitments, and individual employee commitments are cascaded effectively and aligned, collectively supporting the achievement of organizational objectives. The Company implements a closed-loop performance management process through four key steps: performance planning, performance coaching, performance evaluation, and performance application. It also encourages employees to create diverse value, effectively driving alignment and progress between employees and the Company. Additionally, SF strictly enforces employee conduct standards, incorporating compliance behavior in daily work into the performance assessment system. Employees who violate the Company's code of conduct will be dealt with seriously in accordance with relevant regulations.

In 2024, under the guidance of "activating operations", the company upgraded and optimized the performance management system:

Front-end authorization

Increase the authorization of frontline sales teams, simultaneously establish a customer delivery evaluation mechanism, and stimulate business vitality.

Transformation of the headquarters

Iterate the performance evaluation plan of the heads of departments and offices of the headquarters, promote the transformation of the Group's headquarters to business service positioning, and strengthen service awareness.

Employee Multi-Dimensional Evaluation System

To effectively guide the direction of employee value creation, in 2024, SF adjusted its employee multidimensional evaluation system. The new system is built on the foundation of cultural values, with core value creation assessed through the Value Point Working Group, Chassis Working Group, Operations Working Group, and Group Project Deliverables. It is supported by four key pillars: overcoming challenges, talent development, knowledge sharing, and service support. This framework firmly clarifies the direction of employee value creation, objectively and effectively measures employee contributions, and identifies and motivates outstanding talents.



"SF Employee Multi-Dimensional Evaluation System"



Promotion of the "First Asking"

First Asking Responsibility System

In order to lead functional employees to better implement the concept of first question service, SF has integrated the first-inquiry responsibility system into its employee multi-dimensional evaluation system, thereby achieving a more objective and comprehensive assessment of individual value contributions.

Additionally, the Company has established a performance feedback mechanism to ensure the fairness and transparency of the performance evaluation process. This mechanism assists employees in identifying areas for improvement and potential growth, while supporting the development of personalized development plans. To enhance the quality of performance feedback sessions, the Company utilizes online tools to monitor the execution rate of managers' feedback sessions and the agreement rate of improvement plans for underperforming employees. Furthermore, the Company provides a performance management knowledge map to empower managers with enhanced performance coaching capabilities, thereby facilitating continuous employee growth.

Compensation Incentives

SF adheres to the compensation philosophy of "high performance, high reward," and has established a compensation system that is based on job value and performance-oriented, emphasizing the alignment of rewards with value output. The Company develops differentiated compensation strategies according to various job types and talent strategies, offering employees a comprehensive compensation package that is both internally equitable and externally competitive.

The Company has established a strong performance-based incentive pay structure for all employees, conducting monthly, quarterly, and annual performance appraisals for employees across different job categories and levels. The appraisal results serve as a critical basis for determining employee compensation, promotions, bonuses, and other related matters, thereby encouraging employees to grow alongside the Company. For employees who make high-value contributions, the Company offers a market-competitive compensation and reward system. Through differentiated and diversified long-term and short-term incentive mechanisms, the Company attracts and retains core talents, ensuring that the interests of key personnel are closely aligned with those of the shareholders and the Company. This approach provides a strong impetus for the Company's long-term sustainable development.

To ensure the fairness and transparency of the compensation system, the Company has established robust compensation communication channels, combining online compensation inquiry tools with offline face-to-face discussions to help employees clearly understand their compensation structure. At the same time, the Company regularly reviews its compensation incentive mechanisms, analyzing market competitiveness and internal equity to ensure that compensation levels are fair, reasonable, and attractive. This approach continuously enhances employee satisfaction and sense of belonging. Furthermore, to attract and retain core talents, the Company has introduced an equity incentive plan. Through long-term incentive mechanisms, this plan aims to boost the enthusiasm and creativity of the core team, thereby providing a solid talent foundation for the Company's sustainable development.

In 2024, the proportion of employees receiving regular performance evaluations reached **100%**.

Protecting Employees' Rights and Interests

SF always puts the protection of employees' rights and interests in the first place, is committed to providing employees with a diverse, inclusive and equal working environment, continuously pays attention to employees' life and health, creates a humanistic and caring working atmosphere, and effectively enhances employees' sense of belonging and happiness.

Employees' rights and interests

SF strictly abides by the provisions of the United Nations International Charter on Human Rights, the International Labour Organization's *Declaration on Fundamental Principles and Rights at Work* and the core conventions of the International Labour Organization, and follows *the Ten Principles of the United Nations Global Compact (UNGC)* to incorporate human rights protection into the entire process of business operations. Through the formulation of the *Declaration on the Protection of Employees' Rights and Interests*, the Company systematically implement the requirements of eight international conventions, including *the Convention on Equal Remuneration for Equal Work*, *the Convention on Minimum Age for Employment*, *the Convention on Prohibition of Child Labor*, *the Convention on Discrimination in Employment and Occupation*, *the Convention on Forced Labor*, *the Convention on Abolition of Forced Labor*, and *the Convention on Occupational Safety and Health*, and establish a human rights protection mechanism covering the whole employment cycle.

In order to ensure the compliance of human rights protection, the Company continues to strengthen the monitoring and due diligence of human rights risks in its operation sites to protect the rights and interests of all stakeholders within its business scope. In 2024, the Company did not identify major human rights compliance risk events.

SF's Statement on the Declaration on the Protection of Employees' Rights and Interests

- Provide safety and health protection: resolutely implement the safety production management policy of "safety first, prevention first, legal compliance, all employees perform their duties, continuous improvement and healthy development";
- Prohibit the use of child labour and forced labour: strictly abide by the applicable laws and regulations of the countries or regions where the business operates and invests, and prohibit the use of child labour and any form of forced labour;
- Respect for freedom of association: Respect the freedom of association of employees protected by law. Employees have the right to form and join legally recognized trade unions, including participating in trade union activities, workers' congresses, etc.;
- Anti-discrimination, equal opportunity and diversity: No discrimination on the basis of race, color, ethnicity, sex, sexual orientation, religion, age, ancestry, marital status, physical condition or any other form will be tolerated;
- Anti-harassment and violence: harassment, violence or threat of violence of any level will not be tolerated or ignored;
- Training and development: By establishing a scientific and comprehensive talent training system, the Company enhances employees' professional quality and comprehensive capabilities, provides employees with clear career development paths, and helps employees achieve long-term career development.

The above commitments apply to all directors, officers and all workforce of S.F. Holding Co., Ltd. and its subsidiaries.

Prohibition of Child and Forced Labour

SF strictly prohibits the use of child labour and any form of forced labour. During the recruitment stage, the Company's SF requires all applicants to register their personal information online, automatically identify the age of their ID cards through the system, and prohibits people under 18 years old from interviewing; In the onboarding stage, face recognition authentication is adopted to ensure the integration of people and witnesses. At the same time, third-party partners are required to submit documents to prove that their labor management complies with SF standards, and to eliminate human rights violations such as child labor and forced labor.

Working Hours and Welfare Protection

SF clearly stipulates working hours in *the Employee Handbook*, *Attendance Management Regulations* and *Labor Contract*, and formulates *Flexible Working System* to provide convenience for employees with special needs. During holidays and business peak periods, by hiring flexible employees, the number of employees in some temporary and auxiliary jobs is supplemented, the work intensity of on-the-job employees is reduced, and the rest time of employees is guaranteed. All employees enjoy the same rights and interests, and adopt the same standards in employee management and protection of rights and interests. Temporary employees sign contracts or agreements according to law to obtain labor remuneration and employer liability insurance (including accident) or work-related injury insurance.

In case of major restructuring or change, the Company would explain the situation to the labor union or all employees 30 days in advance, and properly handle the termination or termination of the labor contract after fully listening to the opinions to ensure that the rights and interests of employees are fully protected. During the year, The company has not experienced any major layoffs.

Diversity, Inclusion and Equality

SF fully respects cultural differences in different regions, strictly prohibits any form of discrimination, and is committed to creating a diverse, equal and inclusive workplace environment for employees around the world. The Company adheres to the principle of equality in employee recruitment, promotion and development and salary management, does not discriminate against employees due to gender, region, ethnicity, religious belief, economic ability and other factors, and actively carries out diversified recruitment to provide employment support for vulnerable groups.

Recruitment

Under the principles of fairness and equality, the Company have formulated a transparent recruitment process that is clearly and formally communicated to all candidates. The Company will never restrict recruitment or employment based on gender, geographical region, ethnicity, religious belief, or financial situation.

Employee promotion

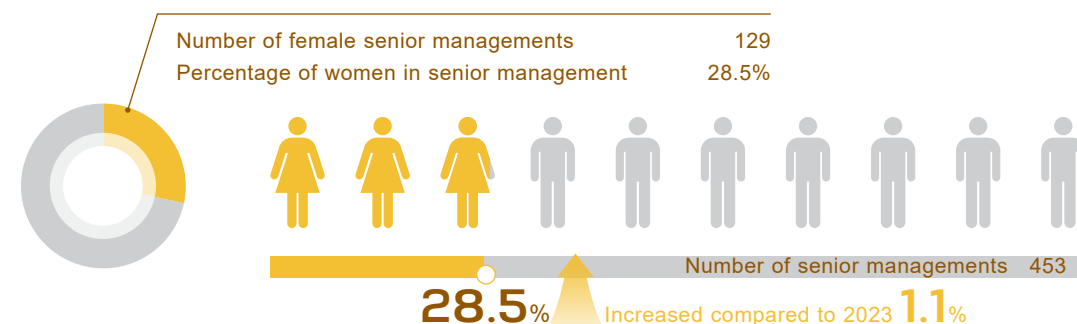
The Company select and promote talents through open and transparent internal competitions or appraisals, providing equal promotion opportunities for all employees.

Remuneration management

The Company implement a fair, just, and transparent remuneration management system, and adhere to the principles of gender equality and equal pay for equal work, to ensure that all employees share in our development fruits.

The principles of equality in SF's recruitment, promotion and remuneration management

Diversified recruitment: In 2024, female SF employees accounted for 15.1%; Minority employees account for 5.8%. In addition, SF's overseas branches (subsidiaries) are also actively hiring local personnel from operating places. As of the end of the reporting period, there were 2,580 foreign employees on the job, an increase of 2.8% compared with 2023.



Recruitment of vulnerable groups: On the premise of meeting job requirements, SF actively provides employment opportunities for vulnerable groups in society, matches positions with low physical strength (such as customer service, management, warehouse management, professional, etc.), and promotes employment of vulnerable groups. As at the end of the Reporting Period, there were more than 1,500 people with disabilities on the job at SF.

Anti-Discrimination and Anti-Harassment

SF has zero tolerance for discrimination and harassment, and explicitly prohibits any form of discrimination based on race, skin color, ethnicity, gender, sexual orientation, religion, age, ancestry, marital status, physical condition, etc. in *the Declaration on the Protection of Employees' Rights and Interests*, and advocates a workplace culture of mutual respect.

The Company has refined the detailed rules for punishment of violations of regulations and disciplines on harassment through *the Regulations on the Administration of Rewards and Punishments*, requiring all employees to study and sign *the Regulations on the Administration of Rewards and Punishments* online, and at the same time promoting anti-harassment and anti-discrimination promotion through emails and training in various regions offline, so as to create a healthy and equal workplace environment. In 2024, the Company ensured that 100% of all employees received diversity, anti-discrimination and anti-harassment training by organizing publicity and implementation meetings for employee handbooks and statements on protecting employees' rights and interests. The Company did not have any incident of discrimination or harassment throughout the year.

Protection of Women's Rights and Interests

SF continues to promote gender equality in the workplace and has established a female employee committee to protect the rights and interests of female employees according to law.

- Support facilities: Maternal and child rooms have been set up in offices across the country to provide private, safe and hygienic breastfeeding space for lactating female employees.
- Holiday benefits: Fully implement exclusive leaves for female employees such as maternity leave, prenatal check-up leave, abortion leave, breastfeeding leave and dysmenorrhea leave.
- Health care: organize female employees with free female health screening checks for cervical cancer and breast cancer; Send gifts to female employees on International Women's Day and commend the "most beautiful employees".
- Special support: Hold the "New Employment Form SF Female Knight Care Activity", and launch five action care plans for female riders in the same city, including rights protection, physical and mental health, academic improvement, welfare care and exclusive condolences.

2024

30

Number of maternity rooms

About 9,000 people

Number of female employees with free female health screening checks for cervical cancer and breast cancer

Pay Tribute to Every Amazing "SHE"

In order to express its care and respect for female employees, SF distributed a total of 90,403 gifts to female employees on International Women's Day in 2024, commending 107 most beautiful employees and inspiring them to forge ahead; Open in-app welfare purchases to give back to employees for their hard work. The Company also set up a cloud care platform for the March 8th Goddess Festival. The traffic of the live broadcast room reached 159,000 on that day, delivering warmth online.

In addition, the Company also paid special attention to the female courier, held the "New Employment Form SF Female courier Care Activity", and released five major caring actions covering rights protection, physical and mental health actions, academic improvement actions, caring and welfare actions, and exclusive condolence activities.



"New Employment Form SF Female courier Care Activity" Site

Smooth Employee Voice

SF attaches great importance to employees’ voices and suggestions, builds diversified, open, transparent and responsive voice channels, and encourages employees to express themselves boldly and actively participate in corporate governance. For employees who put forward useful suggestions, the Company provides incentives and growth opportunities; The Company commends and affirms organizations that actively adopt suggestions and promote problem solving.

In addition to conventional telephone channels (labor union hotline), online channels (“Echo platform” and “I want to report”) and email, the Company has set up scenario-based voice channels such as “ One-stop appeal service”, “ Appeal service for the frontline workers”, “ Trade union visit” and Labor Dispute Mediation Center based on different scenarios to quickly respond to and solve employees’ demands.

Communication Channel for SF Primary Employees			
	The one-stop appeal service collects effective appeals from employees monthly to distribute to the relevant regional organizations for further solutions.	In 2024 12,219 appeals collected	95% resolution rate
	The Company’s policies would be delivered to the frontline workers in the form of live broadcast at the first time, including institutional process, system tools, business development, quality improvement and logistics support and employee welfare.	In 2024 6 broadcasts	Over 506,000 live broadcast views
	SF opens an employee care hotline to ensure smooth procedure in channels to cater for employees’ needs on weekdays and holidays and provide timely psychological support and problem solving solutions for them.	In 2024 52,546 phone calls received by the Employee Care hotline Centre	95% hotline connection rate
	Through the establishment of an online appointment visit platform, the demand survey of trade union visits is carried out for all employees every quarter. Trade union representatives conduct regular offline visits to listen to employees’ voices, communicate face-to-face with employees, understand employees’ working conditions, welfare benefits and career development, and timely feed back employees’ opinions and suggestions to relevant departments.	In 2024 Over 180,000 Employee visit needs	100% Union on-site attendance rate
	Carry out consultation and dialogue around the interests of employees, set up a labor dispute mediation committee, formulate the <i>Working System of Labor Dispute Mediation Committee</i> , and strive to ensure that contradictions are not handed in and disputes are not out of the station, so as to truly eliminate disharmonious factors in the bud.	In 2024 Over 323 Handling labor mediation disputes	

Democratic Management

SF respects employees’ right to freedom of association and Collective bargaining negotiation, and establishes a friendly dialogue and collective agreements mechanism with trade unions and employee representatives. Employees can openly communicate with the Company’s management on working conditions and management issues, focus on the actual needs of grassroots employees, and effectively improve the happiness index of grassroots employees.

The Company elects employee representatives through elections every year, and holds SF employee representative conferences regularly. In key links such as the formulation and release of system documents involving employees’ rights and interests, the trade union would also start temporary workers’ congresses in due course to ensure that the decision-making fully absorbs employees’ opinions. In 2024, the Company established an online management platform, make procedures online, and communicate and discuss employee rights and interests related systems such as the *Attendance Management System*, the *Employee Handbook*, and the *Information Security Reward and Punishment Management Measures*. At the same time, the Company actively promotes the signing of collective contracts to ensure that the rights and interests of all employees are effectively protected.

As of the end of the reporting period, SF had established **125** labor unions in its whole network with **21,500** representatives.

In 2024, there were **236** elected staff representatives, and **10** online staff representatives’ congresses were held.

coverage rate of employees in the SF Collective Agreement **100%**

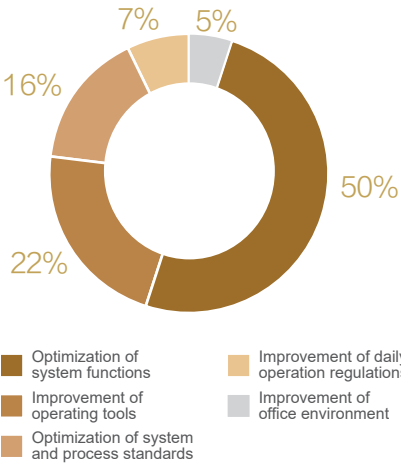


Advice and Suggestions

SF continued to scale up the publicity and promotion of the system that collects advice and suggestions, encouraging employees to put forward reasonable suggestions. In 2024, the Company established the country’s first “enterprise-level craftsman college” in the new employment form industry, set up a model worker craftsman innovation studio, and encourage employees to focus on the “ five little matters “ (little inventions, little creations, little innovations, little designs, little suggestions) The “Digital Intelligence Union” platform puts forward reasonable suggestions. The Company updated and published the *Reasonable Suggestions Management Mechanism*, rewarded employees who adopted suggestions, and stimulated employees’ “ownership” spirit.

In 2024, more than 28,000 employees participated in providing suggestions, collectively submitting over 30,000 proposals. Among these, 4,700 suggestions were adopted, resulting in rewards for 3,000 employees.

SF employees’ rationalization suggestions focused on five categories, including optimization of system functions, improvement of operating tools, optimization of system and process standards, improvement of daily operation regulations and improvement of office environment. Among them, system function optimization suggestions account for the highest proportion, reaching **50%**.



Employee Satisfaction

The Company conducts a semi-annual satisfaction and engagement survey for all employees, covering the dimensions of “employee perspective” (organization, atmosphere, work, development, reward) and “enterprise perspective” (recognition, recommendation, effort, retention), and reviews the perception changes of employees in each organization in stages through the fit of employee perspective and enterprise perspective.

In 2024, the Company conducted employee satisfaction surveys focusing on core issues such as organizational atmosphere, career development, salary and benefits, and working environment. The survey results show that employee satisfaction in 2024 was 92.3%, an increase of 4.5% compared with 2023; Employee engagement was 86.7%, an increase of 2% compared with 2023.

The Company tracks the results of the semi-annual employee satisfaction and employee engagement performance overtime and takes actions in response, formulates optimization measures for key issues, such as optimizing the career development channel of front-line employees and tilting the salary to the front-line, etc. The implementation measures are subject to the supervision of the majority of employees, and reviews the improvement effects in stages to effectively protect the rights and interests of employees and enhance their sense of belonging and loyalty.

Results of the 2021-2024 Employee Satisfaction Survey Results

	2024	2023	2022	2021
Employee satisfaction	92.3%	87.8%	86.4%	86.9%
Employee engagement	86.7%	84.7%	86.2%	87.5%

Employee Care and Welfare

SF has built a comprehensive and diversified welfare care system for all employees, covering multi-dimensional scenarios such as job security, medical care, food, housing and transportation, important festivals and important moments in life of employees and their families. Through the sinking care mechanism, SF has an in-depth understanding of employees’ needs, effectively solves practical problems, enhances employees’ sense of belonging and happiness, and enhances team cohesion and identity.



Employee Welfare and Care System

In addition to employee compensation, SF offers a wide range of material non-pay benefits to all employees. On the basis of paying social insurance and housing accumulation fund for all employees on time in accordance with the law, the Company further built a multi-level welfare guarantee system and provide a series of non-statutory benefits, including: providing employee canteens, dormitories and other living facilities to meet basic needs; Relying on telecommuting and flexible working hours system to improve work flexibility; We also implement special subsidies such as food subsidies, communication subsidies, transportation subsidies, and cold and heatstroke prevention subsidies based on job characteristics to comprehensively optimize employees’ life and work experience.

	2024	2023	2022
Total investment in employee care (RMB10,000)	37,374	35,543	31,004



Care for the Physical and Mental Health of Employees

SF adheres to the concept of “love-oriented”, always puts the health and safety of employees first, provides comprehensive physical and mental health support for employees, and protects their physical and mental health in all directions.

Safeguarding Physical Health

The Company cares about the health of employees, provides annual health check-ups for all employees, and provides different physical check-up packages according to their age and job positions to help employees identify health risks and obtain timely medical reminders.


Health check-up

Health check-ups for employees were organized, benefiting **396,000** people, including cancer screening, treatment and recuperation for female employees, and free medical treatment for traditional Chinese medicine, dentistry, and ophthalmology.


Medical Housekeeper Service

Forespace (Fengsheng) platform has introduced the Medical Housekeeper service and provided online consultation and drug purchase preferential services, with a total of **8,246** online consultations and **5,805** drug purchase services.


Safety education

Carry out safety and health education on the whole network, and publish the “Health and Safety Theme Training Course”, with a total of more than **13,000** learners.

The “Ankang Cup” safety production labor competition was launched, attracting nearly **300,000** people to participate.

Safeguarding couriers 's health	
Mobile physical examination vehicle	Organized 33 mobile physical examination vehicle services, covering a total of 13,000 couriers, providing convenient health examination services for couriers.
Equipped with first aid kit	Optimize the allocation and management of emergency medicines to ensure that couriers can quickly obtain necessary emergency medicines and equipment for treatment. More than 25,000 first aid kits/boxes are deployed throughout the network.
Coping with Extreme Weather	Summer cooling activities were held in high-temperature areas in summer, covering more than 13,500 outlets and benefiting more than 550,000 people. In extremely cold weather, the entire network is equipped with warm hats and other cold-proof materials, covering more than 27,000 transit sites and benefiting more than 94,000 people.
Purchase Business Insurance	The investment cost to buy commercial insurance for all the couriers is about RMB 55 million. Critical illness insurance was awarded to outstanding couriers, benefiting 57,000 people in total, with an investment cost of about RMB 8.6 million.
Conduct first aid training	The "Walking First Responder" campaign was carried out, and 6,416 employees were organized to participate in first aid training and training on the use of AED (Automated External Defibrillator), and AED equipment was placed in 169 outlets and venues. As of the end of the Reporting Period, 1,713 employees have successfully obtained first aid certificates.
Encourage safe driving	Pay attention to the driving specifications of couriers during the collection and delivery process, and issue the "Notice on the Incentive Plan for Safety and Image Management of Two-and Tricycles" to reduce the occurrence of traffic safety accidents of two-and three-wheeled electric vehicles through financial incentives. In 2024, the accident rate per 100 vehicles of the courier's two-and three-wheeler was 0.193, a year-on-year reduce of 20.98% .

In addition, SF provides help and support to employees with practical actions, and comprehensively improves employees' work experience and happiness in life.

Let the courier warm the heart and stomach during the peak period

The Company has carefully prepared a series of caring measures for the courier, including caring collection and delivery tools, caring mobile kitchens, heart-warming peak demand solutions, and caring trade union representative business vanguard teams. In 2024, the Company distributed more than 330,000 bicycle baskets to the courier to help the courier collect and deliver efficiently. In addition, more than 4,000 love mobile kitchen activities have been carried out to send hot food to the courier, cheer them face to face, and encourage everyone to win the peak.



The "Mobile Kitchen" visits courier stations, offering delivery personnel warm and comforting meals



Caring team brings coolness to courier on summer day



Hand out thermal kits to the employees at the transfer station

Caring for Mental Health

SF also attaches great importance to employees' mental health, and helps employees establish correct mental health concepts, master mental health knowledge, and relieve emotions and stress by setting up psychological counseling platforms, providing psychological counseling services and holding mental health seminars.

Care about Mental Health	
 Platform publicity	Mental health articles were pushed via Forespace (Fengsheng) platform, service account and other channels, with more than 230,000 views The "Shun Xin Ru Yi" self-psychological relaxation experience platform has been viewed more than 180,000 times
 Psychological care	One-to-one psychological counseling service from the online and offline has served for more than 854 people Setting up a 24-hour hotline with 288 hotline consultation services
 Psychological lectures	SF has organized 1,800 psychological care lectures with more than 53,830 participants
 Psychological activity	800 Shunxin service centers have been set at outlets across the network 1,781 psychological activities were conducted, covering more than 52,000 people
 Workplace remodeling	33 star employee homes were built, and nearly 1,000 employee homes nationwide were equipped with stress relief props and posters

Work-Life Balance

SF always cares about the living and working conditions of employees and their families, and helps employees solve practical life difficulties and promote work-life balance by implementing diversified care measures for employees’ families and carrying out rich cultural and sports activities for employees.

Family Supporting Programs

SF not only cares for employees, but also extends its care to employees’ families. By carrying out employees’ family care activities, SF provides exclusive benefits, enhances employees’ family happiness and further unites the centripetal force of the team.

Family Benefits Leave

In accordance with national laws and regulations and regional administrative regulations, the Company provides qualified employees with comprehensive paid maternity leave, covering maternity leave, prenatal check-up leave, paternity leave, abortion leave, breastfeeding leave and parental leave, and comprehensively supports the protection of employees’ rights and interests during childbirth and childcare stages.

In addition to statutory holidays, the company also provides employees with special paid leave, such as Spring Festival special annual leave, family visit leave, etc., to help employees better balance work and life, spend quality time with their families, and promote family harmony.

Offering Student Subsidies/ Scholarship

Golden Autumn Subsidies: the Company offered student subsidies of RMB **1.54** million to the families of employees with serious diseases and major difficulties Scholarships for college entrance exams: RMB **368,000** scholarships were given to **183** children of employees who were admitted to universities.

Advancement Benefits

Provide additional benefits for the “Feng Er Generation” who have been admitted to universities, such as gift packages, luggage delivery benefits, district tea parties, etc.; Additional scholarships were awarded to **183** students who have been admitted to key universities.



SF employees’ children are awarded for their college entrance exam achievements

Summer Camp

More than **2,000** employees’ children were organized to participate in summer camp activities, including study tours in Beijing, SF, and participation in government organized kindergarten courses.



Opening Ceremony of the SF Summer Camp for Children

Carrying out Greetings and Assistance Activities

The Company visited more than **19,000** employees and their families with difficulties, and the amount of assistance was about RMB **11.64** million.

Enrich Employee Leisure

The Company regularly holds healthy and diverse cultural and sports activities for employees to help employees relax after work, stimulate vitality and cohesion, and balance work and life. In 2024, the Company organized a total of 1,438 cultural and sports activities such as birthday parties, symposiums, and fun sports meetings, covering one million people, creating a positive and warm working atmosphere for employees.

Spring Festival Ceremony Series Activities

In 2024, the SF labor union joined hands with all employees to celebrate the Spring Festival and hold a large-scale offline Spring Festival gala across cities for the first time. A total of more than 600 people participated, and the cumulative viewing traffic in the live broadcast room exceeded 1 million. In addition, Lantern Festival activities were held simultaneously in 30 regions of the Company to celebrate the Lantern Festival.



Spring Festival Series Activities

“All people move, vitality wins the future” National Games

In 2024, SF held national sports games in 44 regions across the network, attracting 63,000 employees to actively participate. At the same time, SF held a special sports games in South China, with more than 500 people participating. The National Sports Event not only stimulates employees’ team spirit and enthusiasm for sports, but also strengthens the cohesion of the enterprise, allowing more employees to feel the care and support of the enterprise.



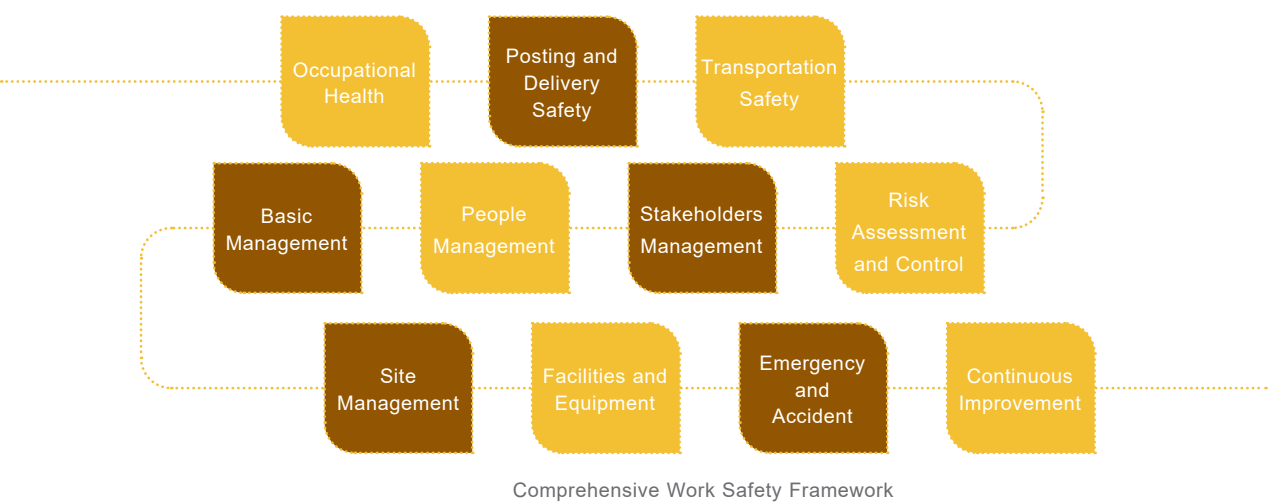
National Games

Stand Firm on the Frontline of Safety

SF always regards safety production as the cornerstone of the sustainable development of enterprises, continuously improves the safety risk management system, deeply integrates the concept of safety production into every link of daily operations, and creates a safe and healthy working environment for all employees.

Improve the Safety Management System

SF strictly abides by the national laws, regulations and standards in the field of production safety, and combines the requirements of the standard of occupational health and safety management system (ISO 45001), the *Guideline of China Occupational Safety and Health Management System* (GB/T33000) and NOSA five-star system standard (health, safety and environment). SF builds a safety production panorama covering 11 units and a total of 66 safety production factors, forming a systematic safety production compliance database to ensure the safety and controllability of the entire operation chain.



Policy and Commitments

Safety Management Principles
Safety first, focus on prevention, legal compliance, full performance of duties, continuous improvement and sound development
Safety Management Commitments
<div><div>1. Abide by national laws and regulations, standards and management requirements;</div><div>2. Company’s top executive is the first responsible person for safety of SF, and the chief leaders of each organization are the first responsible person for safety of their own organizations In daily work, they implement the code of conduct and play the leading role in safety;</div><div>3. Adhere to the principle of people first and focus on prevention and achieve the target of “zero accidents”;</div><div>4. Provide necessary support, including manpower, resources and funds;</div><div>5. Establish communication channels on safety management for all employees and stakeholders;</div><div>6. Control production safety risks effectively and take actions to minimize the risks;</div><div>7. Optimize the allocation of safety management resources and continuously improve the safety management;</div></div> All of our stakeholders, including employees and contractors, are obligated to keep the Company’s commitment to production safety management.

Safety Management Framework and Responsibilities

In order to fully implement the company’s safety management policies and standards and ensure the effective supervision and management of safety management in various regions, SF has defined a three-tier management organization composed of the group headquarters, regions and grass-roots levels, and formulated and improved a series of safety systems to ensure the company’s safe production and operation.

The Risk Management Committee of the Board is responsible for coordinating and making decisions on the strategic planning of production safety, approving and promoting the formulation, implementation and changes of relevant policies.

The Board of Directors has established a Safety Production Committee under its Risk Management Committee. The Chairman of the Board, who also serves as the CEO, chairs the Safety Production Committee. As the first person responsible for the Company’s safety production, the Chairman, who also serves as the CEO, is fully responsible for the Company’s overall safety production work and ensures robust leadership and execution in safety operations. The Safety Production Committee is responsible for guiding the Company’s safety risk management, establishing and strengthening the safety production risk management and control mechanism, regularly evaluating the perfection and effectiveness of the safety risk management system, providing professional opinions and suggestions, and reporting the progress and achievements of safety risk management to the Board on a quarterly basis to ensure the implementation and implementation of safety production strategies, objectives and performance.

The Safety Production Implementation Working Group is a cross-functional virtual organization under the Safety Production Committee. It aims to unify the safety production thinking across functional organizations, coordinate safety production positions, and expedite major safety production initiatives. The group is responsible for conducting comprehensive safety production inspections and special supervision, guiding and coordinating internal safety production enforcement efforts, and discussing and analyzing proposals for significant safety production measures.



Safety Production Management System

SF regularly audits the safety management system documents every year to provide scientific, appropriate and efficient safety production management guidance to all organizations. In 2024, according to the risk management and control requirements and the accumulation of actual management experience, the Company added and revised six safety management systems, namely, *Standardized Supervision Mechanism, Regulations on Safety Management of Transit Depots Operations, Regulations on Closed Management of Transit Depots, Measures for Safety Management of Forklifts in Transit Depots, Property Safety Management Regulations and SF Vehicle (Automobile) Safety Driving Operation Standards*, to further strengthen operational specifications and safety management.

In order to fully implement the main responsibility of production safety, prevent and reduce production safety accidents, and ensure the safety of employees’ lives and property, the Company continues to promote the safety production responsibility system for all employees, organizes all employees to sign the *Safety Production Responsibility Letter*, and clarifies the safety management responsibilities at all levels: the chairman and CEO are the first responsible person for production safety, responsible for formulating safety production targets and making commitments to ensure safe and healthy working conditions for all employees; Managers at all levels are directly responsible for the safety production work within their jurisdiction, ensuring the effective implementation of safety measures and earnestly performing safety management duties.

Safety Management Target

SF sets clear and quantifiable annual safety targets and regularly reviews safety management and its effectiveness. The company aims to reduce the accident rate of casualties in millions of express deliveries, and the target covers all SF employees and contractors. The compensation incentives of senior management (including CEO) and all safety management personnel are linked to the improvements in Health & Safety performance.

In 2024, SF did not have major safety production accidents or major on-site fire accidents with liability, and the accident rate of casualties in millions of express deliveries dropped by 5% compared with 2023, successfully achieving the 2024 safety management target. The company will continue to optimize the safety management assessment mechanism, clarify safety targets for 2025 and complete indicator decomposition, strive to achieve good performance in the management and control of key accidents such as site safety production liability accidents, spontaneous combustion accidents, and traffic accidents, and continue to improve safety performance.

Description of 2024 Safety Management Targets	2024	Progress
0 major production safety accidents	0	Achieved
0 major on-site responsible fire accidents with liability	0	Achieved
The accident rate of casualties in millions of express deliveries ²⁵ decreased by 5% year-on-year	Decrease 17.2%	Achieved

SF Key Safety Production Management Performance Indicators in the Last Three Years	2024	2023	2022
Major express deliveries fire accident	0	0	0
Class I and Class II fire accidents at major sites	0	0	0
Special safety inspection and rectification rate of potential safety hazards in activities	100%	100%	100%

Safety Management System Certification

SF has obtained the standard of occupational health and safety management system (ISO 45001) certification required for all business operations, covering all employees and contractors, ensuring uniform implementation of high safety standards throughout the network.

Percentage of business operations covered by ISO 45001 is 100%

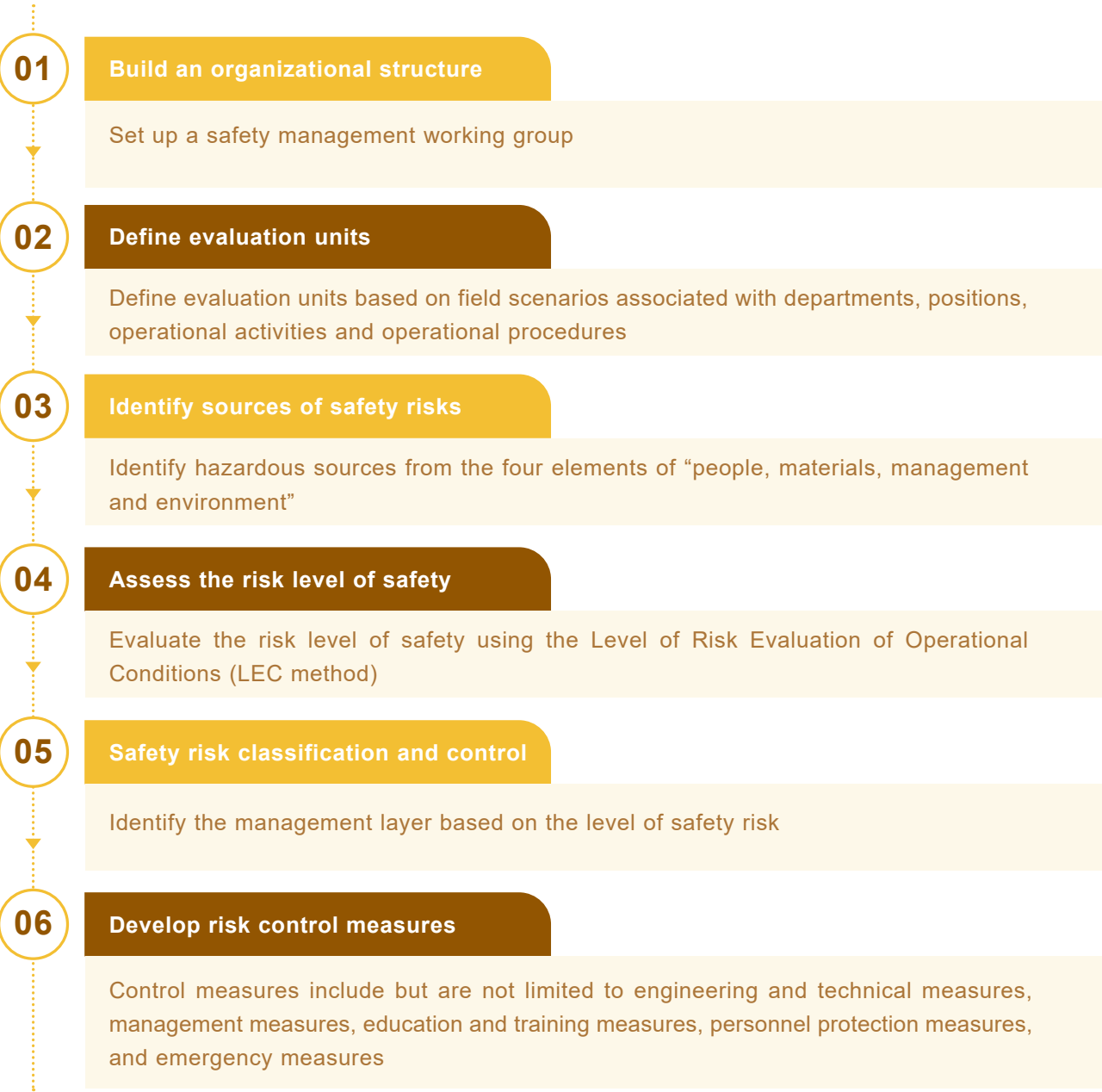
ISO 45001 Certification Status	Shenzhen S.F. Taisen Holding (Group) Co., Ltd.	Phoenix-Wings (Shenzhen) Co., Ltd.
	SF Co., Ltd.	Jiangxi Fengyu Shuntu Technology Co., Ltd.
	SF Group (Shanghai) Co., Ltd	Shenzhen SF Comprehensive Logistics Service Co., Ltd.
	Guangzhou SF Co., Ltd.	SF Multimodal Transportation Co., Ltd
	Guizhou SF Co., Ltd.	Shenzhen Chengfeng Commercial Enterprise Service Co., Ltd
	Suzhou SF Co., Ltd.	Suzhou Fengyutai Enterprise Management Co., Ltd
	Xinjiang SF Co., Ltd.	Shanghai Shunxiaofeng Distribution Co. Ltd.
	SF Technologies Co., Ltd.	Wuhan Shunfeng Zhida Logistics Co., Ltd.
	Shenzhen Fenglang Supply Chain Co., Ltd.	Shenzhen Xingshun Intelligent Supply Chain Co., Ltd.
	GZ SF Pharmaceutical Supply Chain Co., Ltd.	

²⁵ The data on the casualty rate per million shipments covers all SF employees and contractors.

Stable and Safe Production

SF continues to improve the construction of the “dual prevention mechanism” of risk classification management and control and hidden danger investigation and management, establishes a scientific and systematic management process in safety risk prevention and control and hidden danger management, builds two firewalls to prevent production safety accidents, and continues to improve safety management capabilities to comprehensively ensure the company’s production and operation safety.

SF Safety Risk Identification, Evaluation and Control Framework



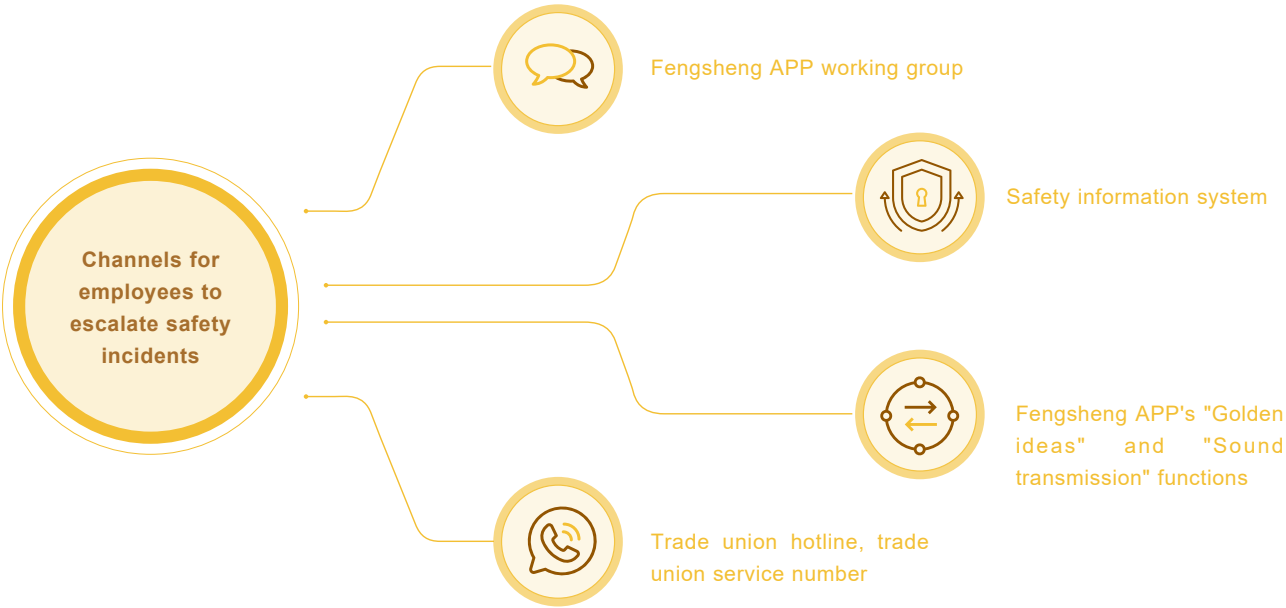
Safety Risk Hierarchical Management and Control

SF uses the LEC risk assessment method to assess safety risks, and determines the risk value by calculating the product of the likelihood of occurrence of the event (Likelihood), the frequency of exposure to the hazardous factor (Exposure), and the the severity of the consequences (Consequence), providing scientific basis for risk quantification. According to the requirements of the *Regulations on Hazard Source Identification, Risk Assessment and Control Management*, all regions carry out comprehensive safety risk identification and assessment work at least once a year, and divide risks into four levels according to the principle of risk classification management and control: material risk, major risk, general risk and low risk. They define the risk management and control levels to ensure that all potential safety risks are timely identified, evaluated and effectively controlled.

Risk Level	Risk Value Assessed by LEC Method	Risk Control Level
Level I: Material risk	D≥320	Company level (functional departments of the headquarters)
Level II: Major risk	160≤D < 320	Department level (business/allocation area)
Level III: General risk	70≤D < 160	Workshop level (transit center, service outlets/supply station)
Level IV: Low risk	D < 70	Team/position level

In 2024, the company dynamically updated and hierarchically controlled 835 identified safety risk sources based on the systematic health & safety risk assessment of the workflow of 40 regions and all positions across the entire network. By establishing a risk list management mechanism, formulating targeted control measures, and carrying out special capability improvement training for safety management personnel, the whole process closed-loop management of safety risks is realized.

At the same time, the company has established an open and transparent safety communication mechanism, encouraged employees to actively make suggestions and suggestions through diversified channels, promptly discovered and prevented potential safety risks, promoted the continuous improvement of safety management level, and jointly built a strong corporate safety defense line.



Investigation and Management of Potential Safety Hazards

In 2024, SF continues to deepen the production safety assessment mechanism of “headquarters supervision and regional self-examination”, comprehensively improve the independent safety management capabilities of each region, ensure that safety management has no blind spots, and fundamentally reduce or eliminate potential safety hazards.

Improve the Normalization Mechanism of Self-examination and Self-correction of Major Accident Hazards

In order to strengthen the investigation and management of hidden dangers of accidents, SF revised and improved the *Regulations on the Administration of Investigation and Management of Hidden Dangers of Safety Hazards according to the Standards for Judging Major Safety Production Hidden Dangers of Postal Enterprises and Express Delivery Enterprises*. Based on this, each region has formulated regional-level hidden danger investigation and management measures in detail to ensure that the inspection scope covers key areas such as fire protection, electricity consumption, vehicles, equipment, operation, and delivery, and implements hierarchical management and control of hidden dangers. As of the end of 2024, the company has carried out 31 headquarters-level assessment inspections, 14 special inspections and 514 district-level hidden danger inspections, comprehensively covering various potential risk points.

Improve the Tracking and Supervision Mechanism for the Management of Major Accident Hazards

According to the requirements of the *Regulations on the Administration of Investigation and Management of Hidden Dangers of Safety Hazards*, the Company has established a strict mechanism for removal of potential hazards, and clarified rectification measures, plans, responsibilities and emergency plans. The main responsible persons at all levels supervise the rectification of potential safety hazards throughout the entire process, and the safety management organization or personnel verify the rectification situation to ensure closed-loop management of potential hazards and achieve dynamic clearing. In 2024, a total of 1,298 potential safety hazards of various types were discovered in headquarters-level assessments and inspections, and more than 210,000 potential hazards of various types were reported through the system in various regions of the entire network, all of which have been rectified as planned.

Establish and Improve the Database of Potential Safety Hazards, Investigation and Analysis Mechanism

SF has established a three-level database of potential safety hazards from headquarters-region-site through systematic and online collaborative documents to achieve full summary and inventory management. By regularly holding special safety meetings or setting up safety topics, notifying key issues and common hidden dangers, the direct management department conducts in-depth analysis of causes, identification of responsibilities, suggestions for improvement and special rectification and improvement, forming a continuously optimized safety management mechanism.

Promote Advanced Management, Engineering Management, System Management, and Regional Management of Key Accident Risks

Relevant functional departments jointly carry out special governance work for high-risk areas on the site such as charging areas, platform areas, and areas of diversion of people and vehicles, as well as high-risk operations such as second-wheel and third-wheel charging, cage truck operation, handcart operation, forklift operation, and large-scale loading and unloading. SF focuses on accident risks such as fire, mechanical injury, vehicle injury and fall from height, outputs key risk management and control measures to each business unit in real time, and regularly reviews the management effects to ensure that high-risk areas are effectively controlled.



In addition, in order to continuously improve the overall level of flight safety, SF Aviation strictly implements the alcohol testing system for team members, and arranges aviation doctors to conduct alcohol testing and spot checks on the departure crew members of an outside station for 1-2 days every month to ensure that the crew members fully meet the safety requirements when performing their tasks, providing a solid guarantee for air transportation safety.

²⁶ The distribution center is a specific area used for receiving, storing, loading and dispatching goods in the logistics transportation process.

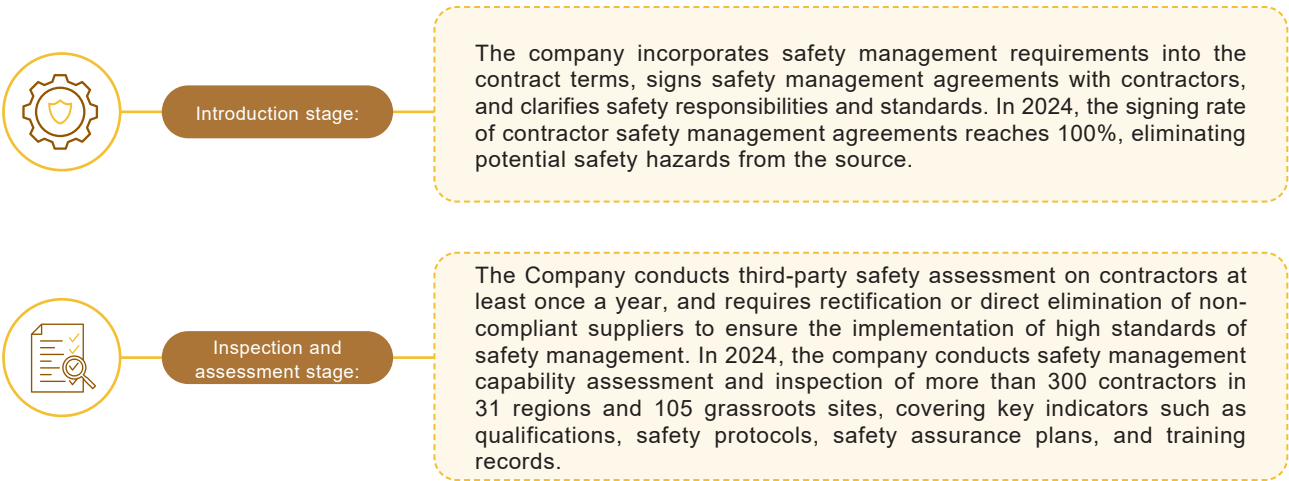
Rectification of Key Hidden Dangers

In 2024, the company has carried out more than 20 special rectification activities for various risks, including:

Comprehensive safety improvement work	Special safety rectification work
<ul style="list-style-type: none">Investigation and rectification of hidden dangers of major accidents in production safetySpecial rectification actions of “three systems” for delivery safetyNotice on carrying out the 100-day safety activity of “eliminating hidden dangers, containing accidents, and safeguarding peak periodsCarrying out safety assurance activities during the peak business period at the end of the year and the beginning of the year in 2025Carrying out joint safety inspections at the end of 2025	<ul style="list-style-type: none">Regarding the standardization and standardization inspection of business/workplace signboardsSpecial rectification of potential safety hazards of handcartCarrying out quarterly inspections of hidden dangers of transit equipmentCarrying out quarterly fire safety inspectionsSpecial rectification of forklift foot stopperCarrying out special rectification of telescopic machines

Contractor Safety Management

SF implements the health and safety management standards and performance metrics consistent with the company's internal health and safety management standards for all contractors and their personnel, regularly supervises and audits the safety management performance of contractors, and ensures that all employees (including contractors) are included in the company's health and safety performance metrics system. Through the whole process management mechanism, the company integrates safety requirements into all aspects of contractor introduction, inspection, evaluation and elimination to ensure the safety and controllability of the supply chain.



Primary Safety Management Qualification Requirements for SF's Contractors

Essential qualification requirements for the contractors include:

- (1) Having a business license that matches the business services it provides;
- (2) No major or above level work safety accident within one year;
- (3) Having applicable personnel qualification certificate, special equipment use registration certificate and transport vehicle license;
- (4) Purchasing necessary insurance for employees, such as transportation, warehousing or personal injury (accident) insurances.

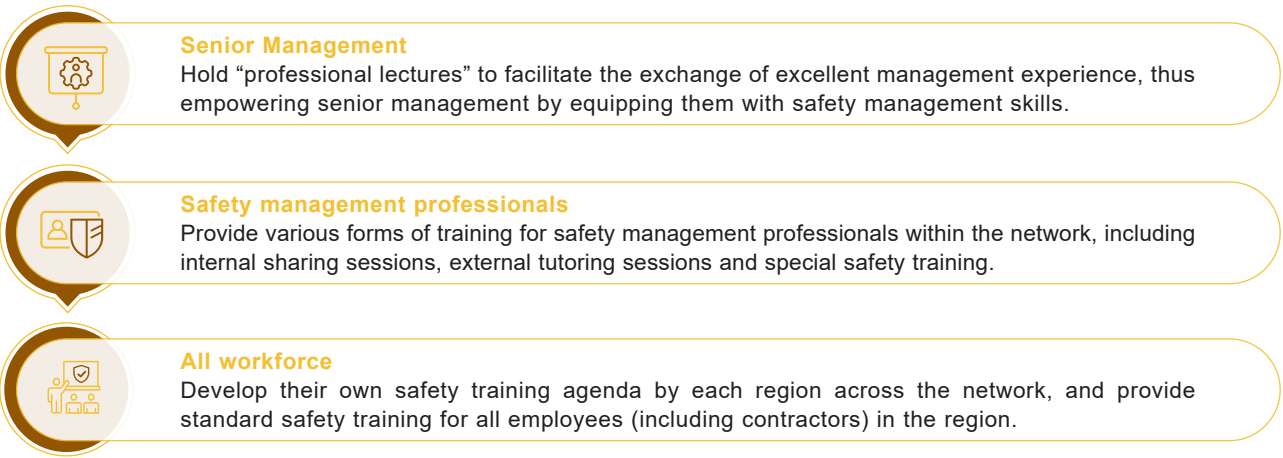
Occupational Health and Safety training

SF has built a comprehensive safety training system to provide customized training content according to different ranks and job requirements. In 2024, the company establishes a safety knowledge map and safety management matrix. The training content includes six major areas: legal compliance, safety production management, traffic safety, emergency management, delivery safety and occupational health. It not only covers basic safety knowledge, but also goes deep into relevant policy requirements and risk management in specific work scenarios to ensure that employees have safety skills that match their responsibilities.

In order to continuously improve the safety awareness of all employees, the Company carries out diversified safety education activities through a combination of online and offline methods:

- Offline training:** SF regularly carries out training activities including safety production month, safety knowledge competition, safety hazard investigation, Spring Festival business peak guarantee, venue standardization improvement and so on, to strengthen employees' safety practical ability;
- Online publicity and implementation:** Through platforms such as safety information account and Fengsheng APP, targeted safety tips and guidance are sent to employees during key nodes such as holidays, business peak periods and seasonal changes to ensure that safety awareness is deeply rooted in people's minds.

100%
Safety training coverage in 2024 (including employees and contractors)



SF Safety Training System



In terms of aviation safety training, SF Aviation actively monitors crew flight quality data, conducts in-depth analysis of typical violation incidents and monthly incident incidence TOP3 personnel, and accurately identifies potential risk points. Based on the data analysis results, the Company regularly conducts special trainings such as technical evaluation and intensive simulator training to comprehensively improve the technical level and emergency response capabilities of crew members, and ensure that each crew member can meet and maintain the highest safety standards.



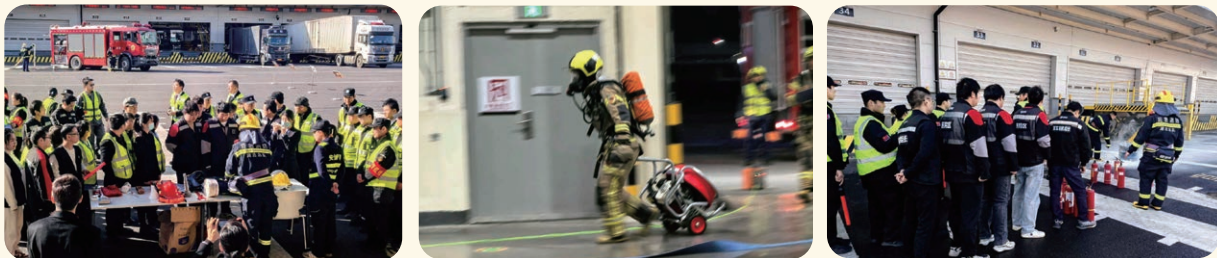
Safety Emergency Drills

SF strictly complies with the requirements of the *Emergency Response Law of the People's Republic of China* and the *Work Safety Law of the People's Republic of China*, and has established systematic and standardized emergency response procedures and norms. The Company has established an emergency plan system covering various emergencies, which provides clear and operable action guidelines for internal operations, and significantly improves employees' ability to respond quickly and effectively to emergencies.

In order to continuously test and optimize emergency plans, SF organizes two large-scale fire emergency drills every year in accordance with national regulations, and continuously strengthens the emergency response mechanism through actual simulation to ensure that actions can be taken quickly and orderly when emergencies occur to minimize losses and impacts. In addition, the Company regularly conducts emergency drills in various fields such as explosion prevention, anti-terrorism, transportation and public health, and conducts special drills for business scenarios such as forklift accidents, equipment injuries, high temperature and heatstroke, so as to comprehensively improve the Company's comprehensive capabilities in safety emergency response.

In order to enhance employees' safety awareness and emergency response capabilities, and ensure the safety of the company's property, express delivery and personnel lives, the company organizes network-wide safety knowledge training and emergency drills in 2024, and rewards regions that actively organize drills and perform well.

In 2024, more than **9,000** fire safety trainings and emergency drills are held, with a cumulative number of participants reaching more than **970,000**.



SF fire emergency drills

Building a Responsibility Value Chain

SF always regards supplier management as an important link of sustainable development, upholds the core value of "honesty as the way", and is committed to building a cooperative environment of equality, respect, transparency, development, win-win and sunshine. The company has established long-term, stable, mutually beneficial and win-win strategic cooperative relationships with suppliers to jointly build a responsible and sustainable supply chain ecosystem.

Supplier Management System

SF has built a comprehensive supplier management system, strictly implemented the supplier management system, and continuously improved the ESG risk management capabilities of the supply chain. In 2024, the Company issued the "SF's Code of Conduct for Suppliers" and other systems, incorporating ESG requirements such as business ethics, safety and occupational health, labor and human rights, and environmental protection into the terms of supplier contracts, and regularly reviewing supplier performance. For suppliers who have major disputes and fail to rectify on schedule, the company will terminate cooperation to ensure the stable operation of the supply chain.

Procurement Supervision and Management Structure

The procurement activities of SF Group are undertaken by the procurement supply chain center, and decisions are made on major procurement matters through the collective decision-making mode of the procurement committee. In order to ensure the risk supervision of the procurement process, SF has an independent risk supervision organization to strictly monitor the whole procurement process, and at the same time, an internal control group in the procurement supply chain center has been set up to conduct self-examination and self-correction.



Procurement oversight and management structure

Supplier Lifecycle Management



Access accreditation

The requirements for supplier admission certification are clarified in terms of admission channels, admission conditions, and certification audit process.



Classification and grading

According to the supplier's cooperation performance, the Company adopts differentiated and dynamic grading and classification management for suppliers.



Performance management

The Company establishes a scientific and rational performance management and evaluation mechanism, develops quantifiable performance evaluation criteria and conducts multi-departmental performance evaluations.



Routine management

Three mechanisms have been established to strengthen the routine management of suppliers: a training and coaching mechanism, a routine audit and inspection mechanism, and an information change approval mechanism.



Penalty management

For suppliers with breach of contract and discipline in the course of business cooperation, penalties are imposed with reference to the *SF Group Supplier Penalty Management Measures*.



Exit management

There are two forms of supplier exit management: penalty exit and non-penalty exit to standardize the supplier exit process.

Supplier Digital Intelligent Management

The company continues to promote the digital management process of suppliers, and completes the construction of the digital intelligent procurement platform (DIPP) in 2024 to realize functions such as automatic deposit collection and refund, electronic bidding, and CA digital certificates to improve the convenience and security of supplier cooperation. In addition, the Company further improved the efficiency of supplier management and strengthened the risk management and control capabilities of supplier cooperation through tools such as supplier management board, digital files and risk models.

Supply Chain Risk Management

SF regularly conducts comprehensive assessment and identification on the environment, health and safety, labor rights and moral hazards of suppliers based on their locations, industries and business categories, and systematically evaluates the performance of suppliers through a combination of on-site audits and written audits. According to the evaluation results, the company formulated targeted training and improvement plans, clearly required suppliers to make rectification within a time limit, and continuously followed up their improvement progress. At the same time, suppliers with outstanding performance are evaluated and commended, and benchmark cooperation cases are established to promote the improvement of the overall level of the supply chain.

In 2024, SF conduct comprehensive evaluation management of suppliers:

- Assessed **1,422** key suppliers with **100%** coverage
- On-site audits of over **1,392** suppliers, with an audit pass rate of **91.3%**
- The number of significant suppliers assessed as having significant actual or potential negative impacts was **121**
- Percentage of significant suppliers assessed as having significant actual or potential negative impacts with corrective actions reached **40.5%**
- Among the significant suppliers assessed as having significant actual or potential negative impacts, the number of suppliers that terminated cooperation was **72**
- In the process of supplier implementation of corrective action plan, the number of important suppliers supported by SF plan is **49**, and the actual support is **49**, with **100%** coverage rate
- Carry out supplier evaluation work, selecting **1** annual strategic supplier, **18** outstanding suppliers, and **62** other individual awards and excellent award suppliers, totaling **81**

Supplier Environmental and Social Impact Assessment

The Company attaches great importance to the performance of suppliers in terms of environmental and social responsibility, and through strict regulations and guidance, ensures that suppliers meet the requirements in the fields of environmental protection, safety and labor rights and interests, and promotes suppliers to strengthen their own environmental management, safety and other social responsibility performance, to achieve the long-term win-win development goal.

Environmental protection	Health and safety	Labor requirements and protection
Environmental permitting and reporting	Occupational safety	Labor requirements
Pollution prevention	Emergency preparedness	Fairness and equality
Exhaust emission		Employee protection

In 2024, the Company continues to promote environmental and social responsibility practices in the supply chain through the following measures to build a value chain that has a positive impact on society and the environment:

- Sustainability survey:** designed and published the “Supplier Sustainability Survey Questionnaire”, covering the three dimensions of environment, society and governance, and comprehensively evaluated its sustainability performance;
- Responsibility clauses are included in contracts:** social responsibility clauses such as environmental protection, health and safety, and labor rights are included in supplier contracts to clarify ESG requirements;
- Certification attention:** during the supplier admission and evaluation stage, focus on the certification of its ISO environmental management system, occupational health and safety management system and information security management system;
- Regular assessment and examination:** incorporate the practical performance of suppliers in environmental and social responsibility into regular assessment indicators to promote continuous improvement;
- On-site audit and support:** Conduct on-site audits of suppliers around key environmental and social issues, provide rectification opinions and support to suppliers with problems, and help them improve their sustainable development capabilities.

In 2024, all of SF's suppliers signed social responsibility agreements, with a coverage rate of **100%**.

Building a Sustainable Supply Chain

SF adheres to the cooperation purpose of honesty, fairness and justice, establishes transparent access standards, fair process management mechanism and fair supervision mechanism, builds a responsible and sustainable procurement environment, and helps achieve long-term win-win results with partners.

Green Procurement

SF has formulated the *Green Procurement Management Regulations* to integrate environmental protection requirements into the whole life cycle management of suppliers. Enhance the sustainable development awareness of procurement management professionals through online and offline training and publicity. In procurement decisions, SF gives priority to environmentally friendly products and services in order to save energy, water and material, reduce resource consumption and environmental pollution, and promote the implementation of green procurement concepts.

Procurement Integrity Management

SF continued to improve the anti-corruption compliance management system, formulated the *Sunshine Procurement Notification Letter*, clarified the responsibility of both parties for integrity and co-construction, and signed the *Integrity and Integrity Agreement* with suppliers, strictly prohibiting the soliciting, offering and accepting bribes, and ensuring the legal and transparent business activities. In 2024, the company introduced an on-site auditor mechanism to identify potential risks and correct them in time through on-site audits of suppliers’ production sites and detailed checks of suppliers’ information submitted by suppliers, so as to improve supply chain transparency.

In 2024, the signing rate of *Supplier Integrity and Integrity Agreements* reached **100**%.

1

Registration

All suppliers are required to proactively declare the conflict of interest relationship, with 100% of declarations in 2024.

2

Bidding

Supplier affiliation is monitored to prevent their collusion with other SF suppliers.

3

Contact conclusion

The *Integrity Agreement* shall be signed. Reporting channels should be clearly stated in the framework master agreement, sub-agreement, and bidding documents. If suppliers discover acts such as solicitation of bribes, they can report the complaint.

Supplier Anti-corruption Initiative

At the same time, SF continues to upgrade its digital and intelligent procurement management system, and has realized early warning of collusive bidding behavior and identification of blacklisted supplier relationships, ensuring that dishonest suppliers cannot enter the company's supply chain system, preventing potential commercial bribery and unfair competition, and maintaining the company's reputation and compliance.

In 2024, SF conducted **2** anti-corruption trainings with **9,096** suppliers participating.

Supplier Training

SF's systematic supplier empowerment plan covers three dimensions: ESG training, ESG practice benchmarking and ESG capability improvement. By regularly sharing industry insights and best practices in the fields of on-time delivery and quality management, it helps suppliers comprehensively improve ESG management level and performance. In 2024, SF conducted a total of 1,273 hours of supplier training, achieving full coverage of key suppliers.

ESG training: Provide comprehensive ESG training to all suppliers to ensure that each partner understands and follows the company's ESG standards and requirements. The training content covers key modules such as anti-corruption, quality management, and environmental protection to help suppliers improve their ESG awareness and practical capabilities.

ESG practice benchmarking: The Procurement Supply Chain Center communicates with suppliers on sustainable supply chain management matters, shares industry best practices, and helps suppliers identify their own gaps and take improvement measures to meet SF's sustainable development requirements.

ESG capability improvement: SF carry out long-term supplier capability building support projects for specific ESG topics, systematically improve the ESG management practices and performance of suppliers, and promote the overall sustainable development level of the supply chain.

In addition to ESG training, SF also provides other comprehensive and systematic training and support to suppliers to help them better understand and implement the company's procurement management requirements.

Build Communication Bridges and Deepen Win-Win Cooperation

In 2024, SF held an industrial construction supplier conference, inviting a total of 114 representatives from 53 industrial construction suppliers (including construction general contracting, decoration and cold storage engineering) who have participated in the company's project cooperation in the past two years to attend the conference. The conference focused on conveying SF's procurement management philosophy, work process, project management objectives and specific requirements, enhancing suppliers' understanding and recognition of SF's management system, promoting their efficient performance of contractual obligations, and further consolidating the long-term and stable cooperative relationship between the two parties.



SF held industrial construction supplier conference

System Switching Training to Ensure Smooth Business

On December 24, 2024, SF held a DIPP (Digital Intelligent Procurement Platform) system operation training and exchange meeting to conduct special training on switching the procurement system from SRM to DIPP. The meeting attracted more than 150 suppliers to participate. Through in-depth explanations and practical drills, it ensured that suppliers were proficient in the operation of the new system, ensured the smooth connection between the two parties' businesses, and further strengthened the cooperative relationship.

Equal Treatment of Small and Medium Enterprises

SF actively supports medium, small and micro enterprises and promotes supply chain diversification and inclusive development. In 2024, the company disclosed the payment information of small and medium-sized enterprises to the public in the national enterprise credit information publicity system in accordance with regulations, and there was no overdue payment of small and medium-sized enterprises. At the same time, in some low-risk business scenarios, the registered capital requirements of suppliers are reduced to help small, medium and micro enterprises participate in the company's business.

Sustaining Commitments to Social Wellbeing

SF always regards giving back to the society as its corporate mission, gives full play to the advantages of digital operation and responsible supply chain, actively participates in rural revitalization, education charity, medical assistance, social disaster assistance and other fields, fulfills social responsibilities with practical actions, and promotes social harmony and sustainable development.

Rural Revitalization

As a leading comprehensive logistics service provider in China, SF has always closely linked corporate development with social responsibility. Relying on its leading logistics network, advanced packaging technology and efficient distribution capabilities, SF has deeply cultivated the field of agricultural products delivery, actively helped agricultural products upstream and industrial products downstream, consolidated and expanded the achievements of poverty alleviation, and helped rural revitalization.



SF's service network for delivering agricultural products

Help Agricultural Products Upstream

In 2024, SF actively responded to national policies and joined hands with local governments to build regional agricultural product brands. While opening up and building online sales channels for agricultural products, SF has achieved the unity of the company's business development and social value. For key agricultural product projects, SF worked with local governments and associations to plan various product promotion activities, including but not limited to online/offline promotion meetings, harvest festivals, picking festivals, catching festivals, e-commerce festivals, exhibitions and other forms, and took multiple measures to improve the communication efficiency and promotion ability of agricultural brands. At present, the company has assisted in building more than 50 regional brands of agricultural products, and held promotion meetings and logistics solution conferences for fresh agricultural products such as Yangcheng Lake hairy crabs, Dandong strawberries, Xinjiang beef and mutton in the peak season to promote the development of agricultural industry and contribute to rural revitalization.

The company adheres to the concept of "promoting agriculture with quality and empowering brand", and realizes the transformation of agriculture from "increasing production" to "improving quality" through three processes: increasing value, building brand and setting standards. For example, after six years of regional brand building in conjunction with Xianju County, the company has turned bayberry into the endorsement product of Xianju. Hand in hand with Suzhou City for 17 years, Yangcheng Lake hairy crabs have become a national famous brand, and the output scale has increased from about 3,000 tons to 10,000 tons per year. At the same time, the company continues to strengthen the research on carton packaging, starting from the four dimensions of "fresh-keeping function", "recognizability", "cultural attributes" and "green environmental protection", and provides 16 fresh food projects such as matsutake, strawberries, beef and mutton, poultry and fish, and 22 room-temperature projects such as tea, flowers and seedlings, oranges, etc., creating more than 40 exclusive carton packaging, and continuously improving the market competitiveness of regional characteristic agricultural products. The company's service network to help agricultural products rise has covered more than 2,800 county-level cities across the country, serving a total of more than 5,500 fresh varieties. In 2024, SF delivered approximately 6.3 million tons of specialty agricultural products. It is expected to help farmers generate more than RMB100 billion in income and drive local agricultural transformation and upgrading and farmers' income increase and wealth.

As of the end of 2024, SF's agricultural supply network spans over **2,800** county-level cities nationwide, covering over **5,500** fresh product varieties. In 2024, it transported approximately **6.3** million tons of specialty agricultural products, projected to generate **over RMB100 billion** rural income.

Yantai Cherries Go Global: SF Express Delivers Fresh Chinese Flavors Worldwide

In April 2024, the first batch of Yantai cherries departed from Yantai and delivered to Singaporean consumers within 48 hours via SF. This is the first time that Yantai Cherry has been delivered to overseas countries by express delivery, so that global consumers can feel the delicious experience of "real-time freshness " through express delivery.

SF works closely with local fruit farmers, cooperatives and relevant government departments in Yantai to optimize and upgrade cherry planting, harvesting, packaging, transportation and other links in an all-round way, so as to ensure that every Yantai cherry going to the international market carries the excellent quality of "China's fresh fruit business card". In order to ensure the freshness and quality of cherries during transportation, SF has developed a new modified atmosphere fresh-keeping box as packaging material, which does not require pre-cooling treatment and will not produce any peculiar smell during the fresh-keeping process. This crisper can keep cherries fresh for up to 60 hours, providing a longer appreciation period, so that consumers can enjoy fresher and more delicious cherries.

Yantai cherry "going global" is not only a successful example of international trade of agricultural products, but also an important practice for SF to help transform and upgrade local characteristic industries and promote the implementation of rural revitalization strategy. The whole supply chain solution provided by SF not only solves the problems of short shelf life and difficult transportation of cherries, but also increases the income of fruit farmers through stable export channels. At the same time, cherry export business has driven the development of packaging materials, cold chain logistics, e-commerce services and other related industries, creating new economic growth points for Yantai.



SF helps Yantai Big Cherry enter the international market

SF Successfully Held the First “Golden Autumn Upstream Agricultural Products Promotion” in Northern Jiangsu

In October 2024, the first Golden Autumn North Jiangsu Agricultural Products Upward Promotion Conference of “Premium Agricultural Products, SF Fresh Delivery” was successfully held. The activity aims to aggregate various resources, broaden the “online + offline” sales channels of agricultural products, and build an integrated supply chain service system of “planting-production-supply-sales-transportation-management” through SF’s strong logistics network and technological empowerment, so as to help upgrade the agricultural products industrial belt in northern Jiangsu and promote high-quality agricultural products to a broader market.

In order to help upgrade and transform the agricultural products industry belt, SF, in conjunction with government and enterprise counterparts, helps regional brands open up more circulation channels by connecting agricultural products channel distributors, sellers, MCN organizations and online celebrity live broadcast experts. With the help of marketing methods such as short video and live broadcast, blueberries in northern Jiangsu have gained higher exposure and opened up sales through live broadcast resources. In terms of production and marketing docking, SF relies on its own superior resources to carry out “agricultural products-supermarket” docking, “agricultural products-wholesale market” docking and direct sales activities of agricultural products for agricultural products, and continuously broadens the sales channels of regional agricultural products.

The successful holding of “Golden Autumn Upstream Agricultural Products Promotion” in Northern Jiangsu not only promoted the close cooperation between agricultural products production enterprises and sellers in northern Jiangsu, but also provided new impetus and opportunities for the upgrading of agricultural products industrial belt.



The launching ceremony of the first “Golden Autumn Upstream Agricultural Products Promotion” in Northern Jiangsu

“Live Broadcast + Logistics” Empowers Agricultural Products Production and Marketing Upgrades

SF innovates the model of “regional characteristic premium products + live e-commerce + modern logistics”, superimposes the synergistic effect of “1 + 1 + 1 > 3”, and helps the branding and sales increase of agricultural products. Relying on its own platform and external resources, the company cooperates with the government, customer anchors and local fruit farmers to carry out live broadcast activities. With the help of brand influence and Internet celebrities, it promotes live broadcast in producing areas and broadens the production and sales channels of agricultural products.

In December 2024, SF joined hands with “Hui” to hold a special live broadcast of navel oranges in Fengjie, Chongqing. By demonstrating navel orange planting skills, tasting navel oranges and experiencing the fun of picking, more than 600,000 orders of navel oranges (about 3 + million kilograms) were sold within two hours, exploring a replicable and promotable cooperation mode of “fresh origin + live broadcast e-commerce + Internet logistics”. Combining the historical flow and experience, SF reserved the trunk capacity of Jiangsu, Shandong and Anhui in advance for the Fengjie navel orange live broadcast, and arranged for on-site support by more than 30 couriers to ensure that more than 70,000 ticket orders were issued on the same day and delivered to consumers within 24 to 72 hours.



SF escorts Fengjie navel orange delivery

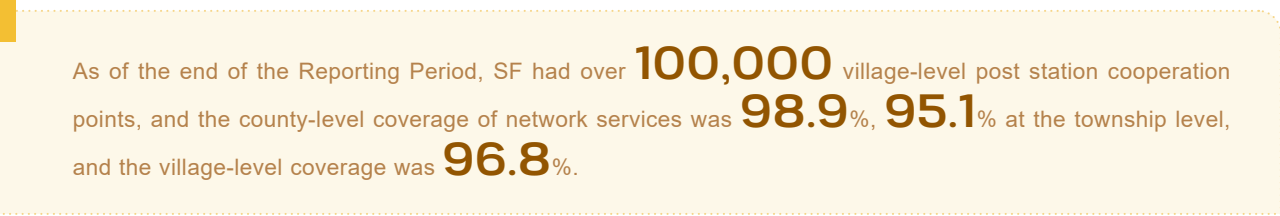
Deeply Cultivate Rural Logistics

SF continues to deepen the rural delivery business, constantly improves the construction of the logistics system at the county, township and village levels, helps agricultural products upstream and industrial products downstream, and better meets the express delivery needs of agriculture, rural areas and farmers.

In 2024, the company increased investment and support for the construction of rural terminal networks, actively promoted the development of the rural logistics industry, and provided positive support and contribution to the realization of the rural revitalization strategy. Initiatives include:



After the construction of rural terminal networks in 2024, more than 100,000 village-level co-distribution station cooperation points were developed on the basis of more than 30,000 outlets in the entire network. A relatively complete rural express delivery network has been formed, allowing farmers to enjoy more convenient express delivery services in the village.



Public Welfare and Charity

SF is well aware that enterprises and society are closely related, and never forgets its original aspirations, continues to devote itself to public welfare undertakings and actively fulfills its social responsibilities. Since the establishment of the public welfare foundation in 2012, the company has been committed to carrying out a variety of social welfare projects and volunteer service activities in various fields such as medical care, education, and environmental protection, and actively giving back to the society with every action.

Educational Charity

SF Lotus Education Aid Program

Since its launch in 2012, SF Lotus Education Aid Program has helped students in need to successfully complete their studies through systematic application process, in-depth family visits, continuous financial support and all-round companionship and counseling, cultivated them to become outstanding youth with excellent character and rich inner world, helped them adapt to social development and actively give back to society and hometown.

2024 Project Achievements

- Funding scale: **3,851** new students were funded in **39** project counties, and **11,719** high school students were funded in **66** cooperative project high schools throughout the year, and more than RMB **25 million** of grants was issued. Awarded **2,033** college students and awarded scholarships of RMB **6.34 million**.
- Cumulative achievements: As of the end of December 2024, the project has covered 67 counties (cities, districts) in 18 provinces (autonomous regions' municipalities) across the country, funded a total of **41,918** students in need, and distributed scholarships and grants of RMB **260 million**.

In 2024, the SF Lotus Education Aid Feedback Empowerment Center was officially opened to provide convenient and efficient learning services for feedback students. The empowerment center integrates the functions of course registration, community participation, course evaluation, learning duration recording and learning certificate issuance, etc., which stimulates the learning enthusiasm of students and achieves remarkable empowerment effect. The curriculum system covers live classes, recorded classes and offline classes to meet diverse learning needs.

In 2024, SF Lotus Education Aid Program conducted **27** empowerment courses, with a total of **4,040** participants.

In addition, SF Lotus Education Aid Program provides interesting and meaningful practical experiences for feedback students by carrying out a variety of public welfare activities, helping them grow, become aware of themselves and establish faith in the activities.

In 2024, the SF Lotus Education Aid Program carried out a total of **121** public welfare and community activities, attracting more than **1,800** feedback students to participate, and the cumulative number of beneficiaries reached **7,398**.

Summer Growth, Camp Life

In 2024, SF Foundation and Shenzhen University jointly hosted the 9th Growth Summer Camp, providing SF Lotus Education Aid Program students with rich experiences and in-depth learning and exchange opportunities, and feeling the academic and cultural atmosphere of first-class universities. The event was held from July 27 to August 3, 2024, attracting 300 high school students and 62 teachers from 38 counties of the SF Lotus Education Aid Program to participate. 47 college student volunteers from the feedback program provided full volunteer services to help students grow in practice and gain in communication.



Fun sports meeting at the event site of the 9th Growth Summer Camp



Campers have business experience at SF cold storage



SF Liangshan Charity Class Program

SF Liangshan Charity Class Program is a welfare public program cooperated by SF foundation and Liangshan Yi Autonomous Prefecture Mawei Development Center (the former Liangshan Yi Women and Children Development Center). It aims to provide warmth and hope for Liangshan dependent children (children who have lost their fathers or mothers and have nothing to rely on in their lives) and female high school students in poverty. The program is committed to improving the living conditions of dependent children in Liangshan, supporting female high school students in difficult circumstances to complete their education, and providing them with equal access to educational opportunities and resources. The program is committed to improving their living conditions, supporting female high school students in need to complete their education, providing them with equal access to education and enjoying equal educational resources.

2024 Project Achievements

- Scale of funding: Throughout the year, a total of **234** students in distress were funded in 4 classes, **25** Love Classes were established, and **1,410** children and girls in distress were funded in Liangshan.
- Activities: Organize Beijing winter camp study tour and summer camp activities to enrich students' holiday life.

Medical Assistance

SF Care – Children Medical Assistance Program (“SF Care” for short) is committed to providing support for children aged 0-18 suffering from related diseases and difficulties, allowing children to be detected, treated and recovered early, in terms of medical assistance and humanistic care. Help children grow up physically and mentally, and at the same time build a serious illness relief network for children mainly based on hospitals in central and western provinces. Promote “serious illness does not leave the province” and the development of children’s medical industry.

As of the end of 2024, SF Care Program has invested a total of RMB 481 million to help 24,259 seriously ill children and orphans in distress, and provide humanistic care services to 40,806 children, families and medical staffs.

2024 Project Achievements

- Rescue scale: **2,881** children and orphans with serious illnesses in distress were newly rescued, of which **2,198** children with congenital heart diseases, hematological diseases and malignant tumors were rescued by 15 self-operated designated hospitals, an increase of **3**% compared with 2023;
- Humanistic care: Throughout the year, it provided humanistic care services such as heart-warming care, growth companionship and medical support, covering **5,003** children, parents and medical staff, and distributed **1,376** heart-warming energy packages.

Children’s Congenital Heart Disease Screening and Rescue Health Tour

In 2024, SF Care helped cooperative hospitals to carry out disease screening, rescue and follow-up work on the front line through a combination of “joint hospitals to carry out congenital heart disease screening” and “supporting hospitals to establish green channels”, and promote the “early detection, early treatment, and early recovery” of children in distress, while promoting the construction and development of hospital-related disciplines.

- Joint hospitals to carry out congenital heart disease screening: In 2024, SF Care and Shenzhen Hospital of the University of Hong Kong carried out the “SF Care – Children’s Congenital Heart Disease Screening and Rescue Health Tour” project in Chayu, Xizang and Longsheng, Guangxi, screening a total of 1,164 children, established a long-term sustainable green rescue channel, helped project sites gradually realize the “dynamic clearing” of children with congenital heart disease.
- Support hospitals to establish green channels: SF warmly supports Henan Chest Hospital to carry out the “2024 Children’s Congenital Heart Disease Screening and Rescue Project in Kashgar, Xinjiang” and Wuhan Asian Heart Hospital to carry out the “2024 Children’s Day Love Tour Project” to open up the “SF Care Rescue Green Channel”, a total of 116 children with congenital heart disease were funded to successfully complete treatment and regain their healthy hearts.



Children’s Congenital Heart Disease Screening and Rescue Health Tour in Chayu, Xizang



Children’s Congenital Heart Disease Screening and Rescue Health Tour in Longsheng, Guangxi



Children’s Congenital Heart Disease Screening and Rescue Health Tour in Kashgar, Xinjiang



Children’s Day Love Tour in Yaxi, Qinghai

Heart-Warming Care Activity: Sharing Happy Hours with Children

In 2024, the SF Care Project join forces with 9 cooperative hospitals to jointly carry out "Heart-warming Companion, Enjoy Children's Day" and "Heart-warming Companion, Celebrate National Day" through the "Humanistic Care Quarterly Theme Activities + Multi-department Linkage of Project Cooperative Hospitals". The two themed activities provided heart-warming care services to 588 children and parents in the hospital and shared the happy holiday hours. The activity not only promoted the goal of wide coverage of humanistic care, but also provided strong support for the work of cooperative hospitals in the field of humanistic care for children, further enhancing the treatment experience and rehabilitation confidence of children.



Heart-warming Companion, Celebrate National Day

Emergency Response and Disaster Rescue

In the face of emergencies and natural disasters, SF has always regarded serving the society and safeguarding people's livelihood as its own responsibility, actively participated in social disaster relief and emergency public welfare projects, mobilized emergency resources of the entire network to support disaster relief as soon as possible, and relied on its own resource advantages and efficient organization and deployment capabilities to continue to contribute due efforts to protect life and social security.

In 2024, SF provided emergency assistance to typhoon relief in Hainan and earthquake relief in Xizang. Relying on its advantages in transportation resources, SF urgently transported relief materials to disaster areas for public welfare, and donated materials and funds for the reconstruction of disaster areas. The company continues to pay attention to the disaster situation, dynamically dispatches rescue forces, and provides assistance and support for post-disaster reconstruction.

SF "Vegetable Charter Flight" Rushes to Hainan Urgently

In September 2024, super typhoon "Capricorn" made landfall along the coast of Wenchang, Hainan and Xuwen, Guangdong, and sailing in the Qiongzhou Strait was suspended. In order to further ensure the transportation of people's livelihood materials and fully ensure the supply of people's livelihood materials, SF urgently coordinated all-cargo plane resources and invested in "Vegetable Charter Flight" to ensure the supply of vegetables in Sanya. On September 7th, two all-cargo planes landed in Sanya carrying 85 tons of vegetables. From the evening of the 7th to the 8th, SF Airlines flew a total of 10 dedicated flights to focus on ensuring the transportation of people's livelihood materials in Hainan.

In addition to the investment of all-cargo aircraft, SF also undertakes the sorting, transportation and supply guarantee of Sanya's "Vegetable Basket" project. In order to ensure the smooth circulation of "Vegetable Basket" products during the typhoon, the company worked closely with Sanya "Vegetable Basket" to optimize the distribution system, increased the number of transportation vehicles and personnel, and ensured that vegetables can be delivered to designated stations in a timely and safe manner. In the four days from September 5th to September 8th alone, SF guaranteed a total supply of more than 70,000 kg of vegetables.

During the fight against the typhoon, SF also completed the relevant support tasks of Hainan Provincial Emergency Management Department, transporting more than 3,000 sets of warm quilts to Wenchang City, 500 sets of warm quilts to Lingshui City, and urgently allocating more than 3,000 life jackets. Through a series of measures, SF ensured the safe transportation of people's livelihood materials, provided a solid guarantee for the life of Hainan residents during the typhoon, and demonstrated the corporate social responsibility and responsibility.



SF guarantees transportation of people's livelihood materials in Hainan

SF All-Cargo Plane Rushed to Xizang for Earthquake Relief

On January 7, 2025, a 6.8-magnitude earthquake occurred in Tingri County, Shigatse City, Xizang. SF quickly activated the emergency response mechanism, gave full play to the advantages of aviation network, quickly completed the route filing and approval, deployed B757-200 all-cargo plane and experienced flight and ground crew, and sent two flights from Chengdu and Kunming on the afternoon of January 8th to transport about 6 tons of first aid supplies to Lhasa. On the morning of January 9, SF opened two freight routes, "Wuxi-Lhasa" and "Shijiazhuang-Lhasa", transporting about 11,200 pieces and nearly 42 tons of relief supplies, including warm clothing, quilts, blankets, food and tools and equipment. After the goods arrived in Lhasa, they were quickly transported to Shigatse through the ground trunk line, providing solid support for post-disaster reconstruction and logistics support in the disaster area.



SF helps Shigatse earthquake relief

Deploying AED Equipment at Outlets to Improve Emergency Response Capabilities

In 2024, SF launched the social good emergency public welfare project, taking the lead in deploying AED equipment at 100 outlets in Shenzhen, allowing first aid equipment to enter the community and be close to residents, and improving SF's emergency response capabilities in emergencies. This action not only demonstrates the leading and exemplary role of the industry, but also comprehensively improves SF's volunteer service level and builds a wide-ranging life protection network.



SF courier AED certification training site

Services

Empowering New-Quality Productivity Through Digital Intelligence

A new round of technological revolution is reshaping the ecology of the logistics industry with unprecedented depth and breadth. Cutting-edge technologies such as big data and the Internet of Things break through the boundaries of traditional models, giving birth to efficient, agile, green and intelligent new logistics productivity. SF anchors the commanding heights of technology with a forward-looking layout, continues to deepen core areas such as large model, unmanned technology, and big data, and builds a digital intelligent operation system throughout all stages of "collection, transit, transportation, and delivery" to drive leap-forward improvement in service efficiency and customer experience. At the same time, SF accelerates its international layout, improves cross-border logistics infrastructure, provides end-to-end solutions for Chinese brands to go global, and facilitates efficient collaboration of global supply chains.

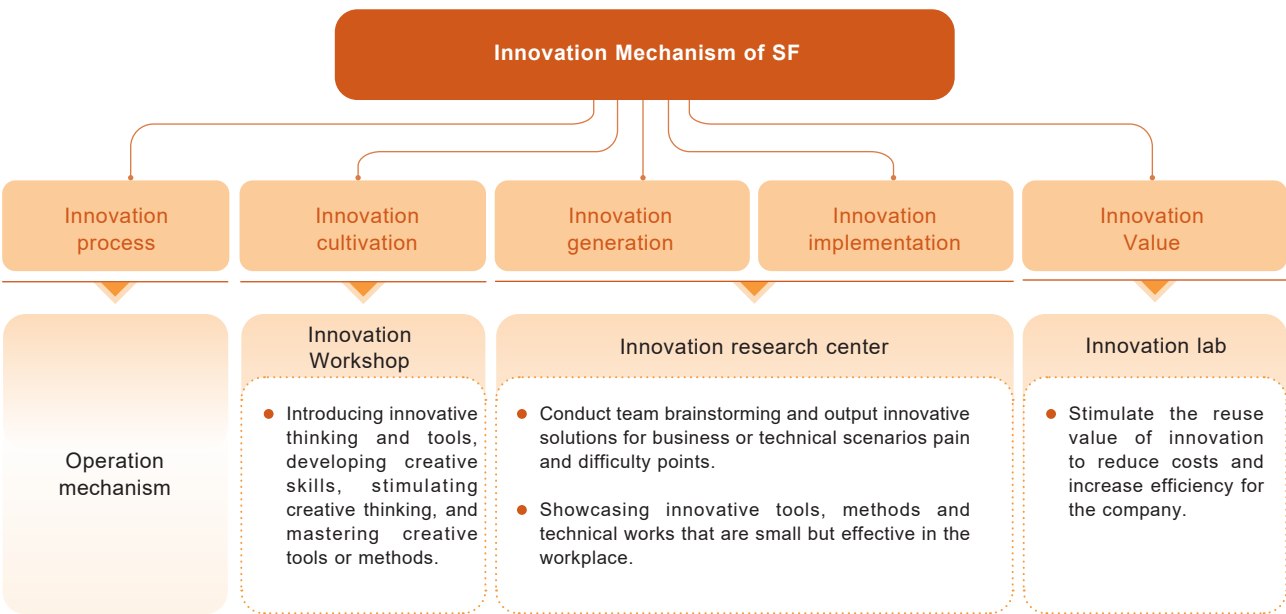
- 🌀 Pioneering Intelligent Logistics Innovation
- 🌀 Empowering Enterprises Expanding Overseas
- 🌀 Delivering Premium Services
- 🌀 Securing Safety Delivery
- 🌀 Driving Industry Synergy and Shared Progress



Pioneering Intelligent Logistics Innovation

SF is committed to building an intelligent supply chain ecosystem in the digital era and aims to become the leader in the intelligent supply chain sector. By leveraging deep insights into supply chain scenarios and extensive experience serving top-tier industry clients, along with continuous exploration and application of cutting-edge technologies, the Company enhances the efficiency of its internal logistics network while providing customers with best-in-class digitalized logistics and supply chain solutions.

The Company attaches great importance to innovative research and development, continues to improve the innovation management mechanism, promotes innovation from idea to implementation, and forms a closed loop of the whole process from innovation cultivation, innovation generation, innovation implementation to innovation value by building an online innovation platform and organizing offline innovation activities.



In 2024, the Company participated in and was shortlisted for the 2025 top six global finals of the Franz Edelman Award, the highest award in operations research and management science. Besides, SF was nominated in the first batch of cases to build a digital China collected by the National Data Administration and excellent cases of IDC Future Enterprise Awards in China, and won honorary awards such as the 2024 Science and Technology Award of China Federation of Logistics& Purchasing (CFLP).

In 2024, investment in science and technology R&D amounted to RMB **3.09** billion.

At the end of the reporting period, SF had **4,180** patents in force or pending, and invention patents accounted for **61.5%** of the total patents.

In 2024, SF utilized **783** invention patents in its core business operations, filed **263** new invention patent applications, and received **314** invention patent grants.

Honorary Awards

SF Technology has been recognized as a high-tech enterprise.

SF won the 2024 Outstanding Organization Award in the Express Industry Innovation Competition issued by the State Post Bureau of the People's Republic of China

- SF Intelligent Solutions for Logistics Network Planning:**
 - Shortlisted for the 2025 global finals of the Franz Edelman Award
 - Won the 2024 Digital Innovation Special Award of IDC Future Enterprise Awards in China
- SF Technology's Smart Supply Chain Control Tower for Enhancing Customer Experience Project:**
 - Won the 2024 Future Customer Experience Leader of IDC Future Enterprise Awards in China
- Fenghe Sustainability Platform:**
 - Selected as the Green Logistics ESG Practice Pioneer in China in 2023-2024
 - Selected as the IDC Sustainability Spotlight in 2024
 - Won the 2024 LOG Outstanding Contribution Award for Low-carbon Supply Chain & Logistics in China
- "Fengjun Cloud Mirror", a cargo airport digital twins project:**
 - Nominated in the first batch of 50 cases to build a digital China
 - Won the 2024 Science and Technology Award of China Federation of Logistics& Purchasing (CFLP)
- The strategy optimization project of small pieces area of transit site based on digital twins:**
 - Won the 2024 Science and Technology Award of China Federation of Logistics& Purchasing (CFLP)

SF Intelligent Solutions for Logistics Network Planning was shortlisted for the Franz Edelman Award

SF Intelligent Solutions for Logistics Network Planning was successfully shortlisted for the 2025 Franz Erdmann Award (known as the "Nobel Prize" in industrial engineering), the only Chinese representative in the final stage of the award. As a core component of SF Super Brain, the project focuses on solving complex problems in the planning of ultra-large-scale logistics networks, and effectively responds to the multiple challenges of aviation, land transportation and urban internal logistics networks through innovative models.

At present, the smart solution has been fully implemented in SF, planning and optimizing more than 8,000 routes and more than 200 sites on average every day, improving the timeliness of more than one billion packages, significantly improving operational efficiency, reducing resource waste and carbon emissions, demonstrating SF's global leading strength in the field of logistics technology.

The screenshot shows the INFORMS website announcement for the 2025 Franz Erdmann Award finalists. It highlights the 'Groundbreaking Research Revolutionizing Healthcare, Saving Millions and Tackling Global Challenges'. It mentions that SF Express is Asia's largest integrated logistics service provider, ranking fourth globally. The text describes how SF Express has been optimizing its integrated network using advanced operations research techniques, helping to reduce service times and carbon emissions.

SF Intelligent Solutions for Logistics Network Planning listed on the official website of INFORMS

Driven by Large Model to Reconstruct Logistics Decision-Making and Operation System

SF has developed logistics decision-making models and large language models, tailored to the logistics and supply chain industry. These innovations significantly enhance supply chain decision-making and daily operational efficiency, accelerating the industry’s transition to intelligent logistics.

SF Logistics Decision-Making Large Model

Leveraging years of industry expertise and underlying data, the Company’s AI-driven logistics decision-making model overcomes traditional algorithm limitations, significantly enhancing intelligent decision-making in logistics. This model has been successfully implemented in several industries such as cosmetics, 3C, food, and automotive parts.

Main Applications of SF Logistics Decision-making Large Model in Supply Chain Management	
Volume demand forecasting	By integrating multi-modal AI technology, the model extracts deep insights from product images and textual information, building multi-scale, multi-channel forecasting models that improve prediction accuracy while reducing resource consumption. In one case study, the model reduced server resource usage by 80%, increased computational efficiency by 120 times, and improved prediction accuracy by 5%.
Decision optimization	The decision-making large model significantly improved computational efficiency in supply chain route planning and packing optimization. For example, in terms of transportation route optimization, the model can quickly respond to complex scenarios involving inbound logistics, store delivery, and short-haul network planning, eliminating tedious customized development processes and responding flexibly to business requirements.
Operational analysis	By building an intelligent supply chain system and combining professional algorithms and operational data analysis, the Company provided accurate supply chain solutions. For instance, in addressing out-of-stock scenarios, the AI model identifies root causes and suggests corrective actions to help customers respond to market fluctuations efficiently, enhancing decision-making speed and accuracy.

SF Large Language Model and Multi-modal Model

SF’s proprietary large language model and multi-modal model are widely applied across over 20 business scenarios, including customs clearance, customer service, pickup and delivery, and marketing, empowering employees with industry knowledge and improving operational efficiency while delivering superior customer experiences.

Main Applications of SF Large Language Model And Multi-modal Model in Business Operation Scenarios		
<p>Operational optimization</p> <p>In sorting process, the AI-driven smart security screening system, combined with full-chain monitoring, automatically detects risks and ensures parcel security. In pickup and delivery operations, AI-powered digital assistants provide real-time training and Q&A support to new couriers, enabling them to quickly learn parcel handling standards and product information. The system achieves a 99% accuracy rate in understanding inquiries.</p> <p>01</p>	<p>Customs clearance optimization</p> <p>During the order placement process, the large language model automatically analyzes customs regulations from multiple countries, ensuring precise clearance procedures. During document verification, the model automatically reviews shipment details, achieving a 97% auto-review rate at selected customs ports. In customs inspection, the multi-modal AI model analyzes product images and determines clearance eligibility, achieving an 83% human-machine match rate, significantly improving customs clearance efficiency.</p> <p>02</p>	<p>Enhancing customer experience</p> <p>In the parcel ordering process, customers can complete orders using a single voice command. In return logistics, users can upload a product image to automatically generate a return request, with the large language model extracting order details in just nine seconds. In customer service, AI-powered assistants extract key information from conversations and generate real-time summaries, reducing customer service response time by 30%.</p> <p>03</p>

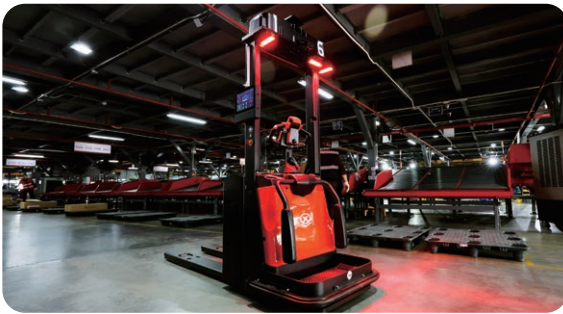
The Company will continue to explore the application of large model technology in logistics services across more industries and scenarios, driving the intelligent transformation and upgrades of the logistics and supply chain industry.

Unmanned Empowerment: Reshaping Logistics Infrastructure

The Company has extensively explored and implemented automation and unmanned technology across various logistics scenarios, driving transformation in operational models and enhancing network efficiency.

Unmanned Sorting Centers

Through the transformation of transit model, the Company utilized AGV equipment for short-distance automated handling and sorting operations at the sorting centers. The Company’s self-developed Xinghe Dispatch Management Platform has been integrated into over 60 large SF sorting centers, managing nearly a thousand AGVs and completing over 5.2 million automated container transits.



Unmanned Vehicles

The Company deployed over 800 customized unmanned vehicles for short-haul transportation between sorting centers and service outlets, the connection between service outlets and couriers’ collection and delivery areas, and pickup and delivery within enclosed areas such as industrial parks and campuses. This automation of short-haul transportation and collection and delivery has improved efficiency and reduced costs. By building a unified platform for unmanned vehicle integration and simplifying loading and unloading operations, the Company effectively reduced the operational costs for future new scenarios and vehicle types.



Unmanned Warehouses

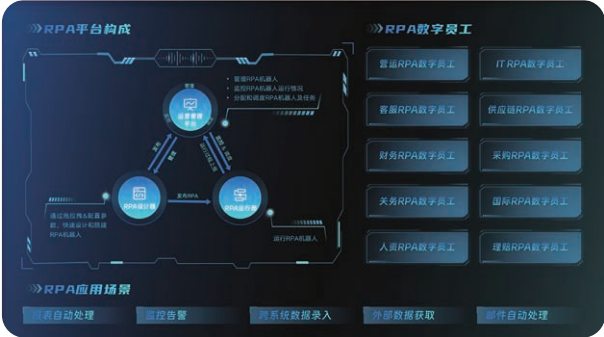
The Company has developed automated warehousing systems that integrate robotic storage and retrieval solutions, offering customized end-to-end automation for various industries. For example, for the cosmetics industry, where SKU complexity, small item handling, and expiration management are critical, the Company’s automated warehouses feature high-density storage solutions that optimize space and labor efficiency. These facilities include shuttle-based warehousing systems for accurate pallet and item-level handling, AGVs, lifting mechanisms, and sorting machines, ensuring seamless inventory control and the ability to process over 100,000 daily outbound orders. The system is already implemented in pharmaceuticals, high-tech, home appliances, and other industries.



Digital Intelligence Penetration: Full-Scenario Empowerment and Upgrade

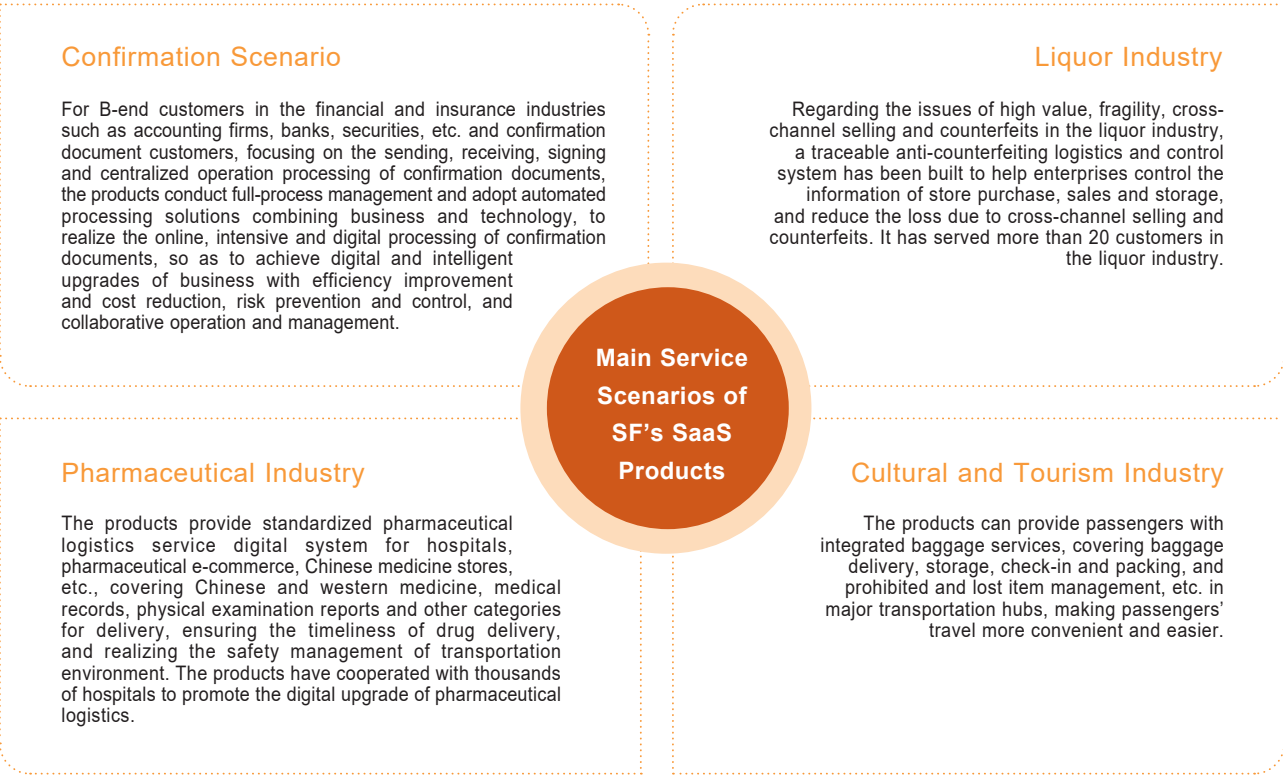
Deep Application of RPA

RPA (Robotic Process Automation) technology simulates human operations to automate repetitive and rule-based business processes across logistics operations, significantly improving efficiency and optimizing workflows. The Company extensively utilized RPA robots, covering various stages of collection, sorting, transportation, and delivery, to improve operational efficiency and optimize business processes. This technology assisted employees in automatically generating daily, weekly, and monthly reports, reducing the burden of repetitive report preparation. It also helped employees monitor performance metrics such as timeliness and delivery efficiency, providing data for analysis and reporting. Currently, these robots are deployed at the Company's various scenarios such as sorting centers and service outlets. In customer-facing processes, RPA applications expanded self-service capabilities for customers, significantly improving response timeliness. In the delivery process, the Company utilized RPA robots to automatically monitor the status of parcels at different time periods and promptly remind couriers at each stage, enhancing on-time delivery rates and overall customer service quality.



Intelligent Logistics Products

For small and medium-sized customers, the Company utilized light-version SaaS products to enhance the value-added services in various aspects of its express delivery and logistics services. The Company has successfully deployed dozens of technology-powered SaaS products, enabling SMEs to streamline supply chain operations, reduce costs, and optimize last-mile delivery performance.



Smart Supply Chain: Creating An Industry Transformation Engine

SF provides comprehensive digital supply chain solutions for top-tier industry clients across high-end manufacturing, cosmetics, auto parts, home appliances, and consumer goods industries. The company has successfully developed hundreds of industry use cases, empowering over 4,000 customers with smart supply chain management.

 **SF** × **Energy Industry**

The Company partnered with a well-known petrochemical company to provide an end-to-end data-driven supply chain solution. The energy industry supply chain was characterized by high uncertainty and complex processes. Given the customer's relatively independent business management and absence of data communication, the Company built a digital and visualized logistics management platform that integrates marketing, warehousing, transportation, and settlement processes. This platform made the entire supply chain transparent, reducing information barriers and management costs. In addition, the energy industry often involves bulk commodity trading, and customers tend to use multimodal transportation. The Company intelligently identified rational delivery outlets, return vehicle routes, and orders with the same delivery direction, while smartly dispatching resources such as vehicles and ships to reduce costs and improve transportation efficiency. In terms of warehousing, the Company accurately analyzed inventory level and outputs logistics demand plans to help the company improve its level of intelligent management.

 **SF** × **New Energy Vehicle Industry**

The Company cooperated with a leading new energy vehicle brand to create an integrated after-sale solution for auto parts circulation that includes transportation, warehousing and distribution services, based on its self-developed supply chain system. By structured integration of express, FTL, LTL, and store delivery transportation modes, the Company improved transportation flexibility, and intelligently and dynamically distributed transportation resources based on the weight, volume, and flow direction of the shipments, reducing transportation costs. The Company also provided various efficient system access methods and, in conjunction with the transportation execution monitoring module, allowing customers to transparently control logistics performance quality. In addition, with years of experience in self-operated warehousing services, the Company provided standard warehousing and distribution services for the customer's own online store, ultimately forming a comprehensive supply chain technology solution from warehousing to distribution, which currently serves multiple well-known automobile companies.

 **SF** × **Consumer Goods Industry**

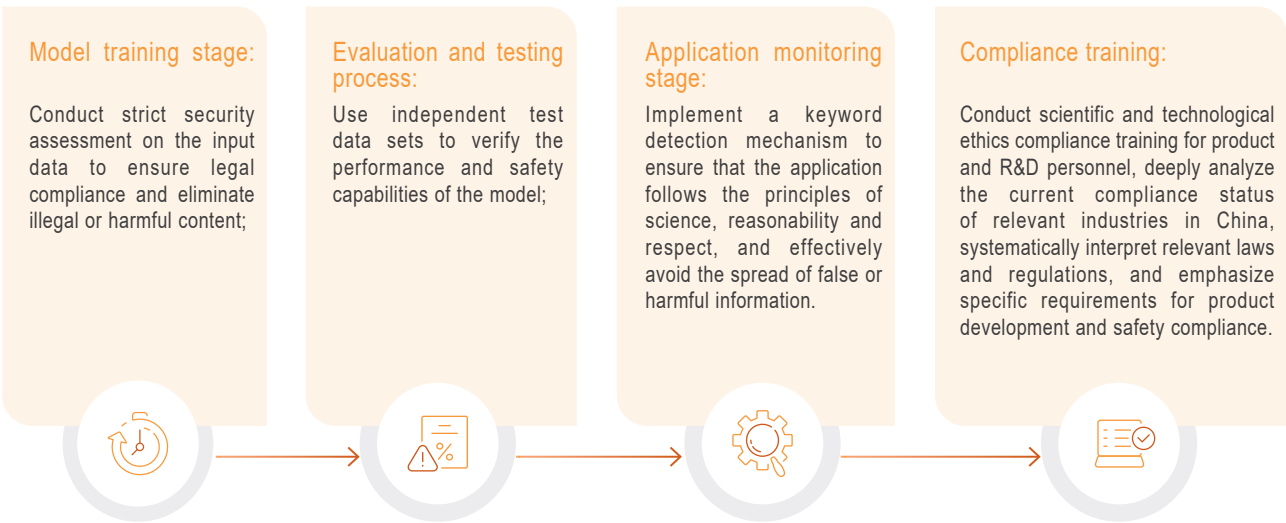
The Company cooperated with a top-tier condiment brand to build an all-channel intelligent order center, achieving intelligent distribution ordering and order processing. When distributors place orders, the system can automatically provide ordering suggestions, improving the accuracy of dealer orders and increasing the sales of brand merchants. The intelligent order center aggregates all-channel inventory information, providing real-time scheduling of available inventory resources for each sales channel, achieving all-channel "one inventory" management. At the same time, it manages the order fulfillment status of each channel, realizing automatic order review, allocation, and shipping, improving order processing efficiency and customer experience. Currently, this solution has been replicated and promoted among multiple customers in the food industry.

Science and Technology for Good: Building a Strong Defense Line for Science and Technology Ethics

The Company always upholds a responsible attitude. In pursuit of technological innovation and efficiency improvement, it puts data security, privacy protection and technological ethics at the core of technological innovation management. As the Company's independent research and development technology level becomes increasingly sophisticated, the Company has simultaneously strengthened its compliance management system for the development and application of large models to ensure that technological development always follows the principles of science, rationality and respect.

Compliance Management System

The Company strictly follows laws and regulations and deeply integrates compliance requirements into R&D processes. In 2024, the Company reported zero incidents violating tech ethics or regulatory standards.



Ethical Commitment to Science and Technology

SF is committed to strictly observing the following principles in the development and application of the technology:

Principle 1 Protecting Data Privacy	Principle 2 System Security Assurance	Principle 3 Bias Mitigation	Principle 4 Content Traceability
Minimize data collection, apply de-identification, anonymization, and encryption to safeguard user privacy.	Regularly carry out network security vulnerability detection and red-blue confrontation drills, identify and repair network security vulnerabilities in a timely manner, and ensure the integrity and stability of the whole life cycle of the system.	Strictly control the data selection, algorithm design and model optimization processes, identify and eliminate bias risks through systematic evaluation and testing to fairness and transparency.	Develop and implement trusted content traceability and verification methods (such as watermarking technology) to help users identify accurate technology-generated content and enhance credibility and traceability.

Industry-research Collaboration: Jointly Building an Open Innovation Ecosystem

The Company adheres to the concept of openness and win-win cooperation, closely collaborates with partners such as scientific research institutes and universities, and jointly promotes the innovative application of cutting-edge technologies such as digital twins, blockchain, and operations research optimization in the logistics field. It injects new impetus into the transformation and upgrading of China's logistics industry and jointly opens a new chapter in smart logistics.

Against the backdrop of the transformation of the logistics supply chain from resource-driven to technology-driven, the Company, as a pioneer in the industry, takes the lead in carrying out school-enterprise cooperation in the field of unmanned logistics. By implementing a production-practical unmanned logistics system on campus, it not only optimized campus logistics services and enriched the scenarios of smart campus management but also provided high-quality teaching resources and practical platforms for universities, effectively improving students' practical abilities.

At present, the Company has formed mature industry-education integration solutions in many fields such as unmanned logistics, supply chain optimization, supply chain execution, smart warehousing laboratory, and live e-commerce supply chain, providing continuous impetus to industry innovation and development.

Innovation Through Industry-University-Research Cooperation

Industrial upgrading

In 2024, SF Technology completed the construction of a special project on blockchain and fintech in the key R&D areas of Guangdong Province in cooperation with Xidian University and the Zhuhai Innovation Research Institute of Fudan University. The project is based on domestic open-source alliance chain and domestic basic software and hardware, combined with blockchain technology and domestic passwords, to create an independent and controllable supply chain management service platform and build blockchain underlying solutions and industrial ecology.

Scientific research projects

SF Technology, in close cooperation with academic institutions such as Southeast University, the Shenzhen Research Institute of Southeast University, and the Shenzhen Institute of Artificial Intelligence and Robotics, undertook a major scientific and technological special project (in the field of robotics technology) of Shenzhen in 2024 with upstream and downstream enterprises in the industrial chain. This project explores the adaptability, execution efficiency and application capabilities of intelligent robots in logistics scenarios, and drives the future development and innovation evolution of intelligent logistics with technological innovation.

SF Technology Postdoctoral Research Station

Since its establishment in 2022, SF Technology Postdoctoral Research Station has actively absorbed and cultivated high-tech talents and promoted the deep integration of industry, academia and research. It has established a joint training mechanism with top universities such as Zhejiang University, the Shenzhen Research Institute of Tsinghua University, and Harbin Institute of Technology to accelerate the process of industry-university-research integration in the fields of digital twins, operational research optimization, and supply chain optimization. In 2024, there were 4 postdoctoral researchers at SF Technology Postdoctoral Research Station, committed to researching key core technologies in the logistics field and continuously improving the Company's technological capabilities and core competitiveness.

Empowering Enterprises Expanding Overseas

The Company has capitalized on the growing trend of Chinese enterprises expanding their production capacity and brands overseas, deepens business integration, actively explores the supply chain and international market. It is committed to becoming the preferred logistics partner for customers to go global, supporting the realization of the Company’s strategic goal of being the only one in Asia and global coverage.

In 2024, the Company continued to build efficient and reliable international supply chains for clients, achieved breakthroughs from 0 to 1 to scale across multiple countries, industries, and service scenarios. It secured contracts for over 100 overseas supply chain projects, with more than 50 successfully implemented. These projects serve leading clients across diverse sectors, including e-commerce and circulation, industrial manufacturing, high-tech, apparel and footwear, home appliances and furniture, automotive, and coffee and tea beverage chains. The services span key markets such as Singapore, Malaysia, Vietnam, Thailand, South Korea, Philippines, Netherlands, Germany, and France.

In the coffee and tea industry

The Company has supported a number of emerging Chinese coffee and tea brands in their overseas expansion, including assisting a coffee brand client in the quick opening and operation of more than 50 stores in Singapore, and as the exclusive supply chain partner of a tea brand client for overseas expansion, supporting it to open 110 stores in eight countries.

In the automotive industry

The Company not only provided cross-border air and sea transportation services for new energy materials, batteries and high-end equipment, but also successfully undertook the integrated warehousing and distribution logistics services for overseas auto spare parts of a leading automotive enterprise. This includes integrated supply chain services covering customs clearance of auto spare parts, port-to warehouse transfer, warehousing and local store distribution.

In the consumer goods sector

The Company provided efficient air and ground transportation services for the export of raw materials and components in the multinational production supply chain of 3C electronic products. In the consumer goods sector, beyond its existing role in managing cross-border supply chains for 3C electronics, the Company capitalized on the growing trend of Chinese cultural IP brands expanding internationally. It served a top-tier domestic designer toy brand with comprehensive international logistics solutions, including express delivery, cross-border ground transportation, and overseas warehousing. The services covered both online direct-to-consumer channels and offline retail stores, facilitating the brand’s entry into the Southeast Asian market.

In the engineering logistics sector

The company leveraged its extensive logistics network and integrated capabilities with KLN to successfully execute multiple overseas infrastructure projects for Chinese enterprises. These projects spanned renewable energy sectors such as wind power, photovoltaics, and energy storage, showcasing the company’s leading expertise in complex cross-border logistics solutions.

Production Capacity Going Overseas: Empowering the Future of Green Travel with Smart Logistics

In the wave of new energy vehicles going overseas, the Company relied on its strong supply chain and technological capabilities to help new energy vehicle companies enter the international market.

With highly mature supply chain solutions for the automotive industry, the Company has built a logistics service architecture covering the entire process of new energy auto parts transportation and vehicle shipping. Relying on the self-developed “Feng Zhi Cloud” digital platform, SF carried out refined management and control of transportation route planning, warehousing and deployment, greatly improving transportation efficiency, and effectively ensuring that new energy vehicles can be delivered on time and with high quality.

In response to the special needs of new energy vehicles in terms of battery transportation safety and timeliness of after-sales service, the Company has formulated a series of safety and compliance solutions. At the same time, SF worked closely with high-quality partners in the industry to build a reverse recycling network for used lithium batteries and other parts, and actively promoted the sustainable development of the new energy vehicle industry in a green and low-carbon direction.

Brands Going Overseas: Safeguarding the Path of Chinese Brands Going Global with Smart Supply Chains

Leveraging its robust supply chain and logistics strengths, SF provided end-to-end solutions for Chinese consumer brands expanding overseas, spanning from domestic operations to international markets. In 2024, SF developed a customized solution from scratch for a renowned Chinese coffee brand, enabling the successful launch and stable operation of over 50 stores in Singapore. Throughout the project, SF achieved a 100% emergency order fulfillment rate, delivered T+0 turnaround for customs clearance and replenishment delivery, and maintained zero delivery exceptions throughout the year. Drawing on its mature supply chain management expertise honed in China, SF helped the brand to rapidly scale its global footprint.

SF gave full play to its own advantages, replicated the domestic efficient supply chain operation mode to overseas markets, and continued to help Chinese brands deepen the international market.

Additionally, leveraging its global network capabilities and comprehensive service strengths, SF has deepened multi-scenario collaborations with leading e-commerce platforms while expanding partnerships with overseas independent websites and merchant clients. This resulted in a 24% year-on-year increase in cross-border e-commerce clients. Notably, by enhancing its cross-border door-to-door next-day delivery fulfillment capacity on China-Southeast Asia routes, the Company now provides efficient cross-border B2C services to emerging platforms and brand clients, effectively addressing their historical pain points such as lengthy fulfillment cycles, slow delivery times, and high damage rates. This has empowered clients to rapidly penetrate Southeast Asia’s consumer markets. Simultaneously, to meet cross-border e-commerce demands targeting Europe and the U.S., SF has accelerated the deployment of overseas warehouses. It offers clients a one-stop solution combining first-mile consolidation and integrated overseas warehousing and distribution, while optimizing cost efficiency to enhance service value and strengthen customer loyalty.

Aligned with the Belt and Road Initiative and the “Express Delivery Globalization” strategy, the Company will continue to advance the vision of “seamless global logistics,” driving the development of an interconnected, innovative, inclusive, smart, and green international supply chain system. Through broader, higher-standard, and deeper international collaboration, we aim to deliver greater achievements and serve a more expansive global market.



Delivering Premium Services

SF always adheres to a customer-oriented approach, constantly optimizes and upgrades its service product system, and meets the diversified needs of customers in terms of timeliness, weight, frequency, distance, scenarios, and geographical location in an all-round and multi-angle manner. The company's services have penetrated into various sectors, including industrial manufacturing, commercial distribution, agricultural products, food and pharmaceutical cold chains, international trade, and local life. They cover all aspects of social production and people's livelihoods, establishing a brand image that is "fast", "reliable", and "premium services". High-quality services have shaped an unparalleled brand value. Relying on its leading service quality and reputation, the company has accumulated a highly loyal and sticky customer base across various sub-industries. It has become the preferred logistics partner for many customers and is widely recognized by customers, the industry, and society.

In the rankings released by the State Post Bureau, SF has been ranked **first in public satisfaction** with express services for 15 consecutive years (2009-2023) and the first three quarters of 2024 as well.

On August 5, 2024, *Fortune* released its 2024 Fortune Global 500 list, in which the Company ranked No. 415. This marks the third consecutive year that the Company has been included in the list, and it remains **the first and only** Chinese private express delivery enterprise to achieve this milestone.

Ultimate Time-Definite Delivery Commitment

SF has redefined the standard for time-definite delivery in China, establishing the highest standard in the field with precise delivery time commitments. The company offers high-frequency pick-up services, promising that couriers will arrive at the sender's address within one hour after an order is placed. According to information released by the State Post Bureau, SF's time-definite delivery service has recorded the shortest delivery time among all time-definite services in China since 2013.

The company continues to refine the landscape of its time-definite service products, achieving ultimate performance in transportation timeliness whether it is within the same city, across cities, or across provinces. SF has developed a multi-tiered fast-delivery service capability, including "hourly delivery, half-day delivery, same-day delivery, and next-day delivery," to enhance its service network and product system from near-field to far-field. With a multi-product portfolio model, SF helps customers build an extremely efficient "circle of friends" for express delivery.

In terms of same-city delivery services, the instant service "SF Same-City Express Delivery" has achieved the efficient service of "1-hour express delivery across the city" in over 300 cities. The company's "Same-City Half-Day Delivery" service, which guarantees delivery within an average of 4-6 hours for both intra-city and cross-city shipments within economic circles, has expanded to 291 cities nationwide. In 2024, SF will continue to deepen its time-definite service network, further extending its "Same-City Half-Day Delivery" service to key urban agglomerations such as the Yangtze River Delta and the Pearl River Delta, supporting the development of "Greater Metropolitan Areas".

In terms of same-city delivery services

In terms of cross-city delivery services

In terms of cross-city delivery services, "SF Same-Day" Delivery has expanded to cover over 700 routes nationwide, enabling cross-city express delivery on the same day. Long-distance transportation is a key competitive advantage for SF within the industry. The company's flagship product, "SF Express", leverages its superior aviation capacity and transit efficiency to offer next-morning delivery for long-distance shipments. This service is widely utilized in various sectors, including commercial documents, cosmetics, and 3C electronics.

SF has integrated a multi-layered product and service matrix to form an integrated solution suite. This suite is applicable to diverse scenarios, including fresh produce, beverages, pharmaceuticals, and even event support. Whether for B-end merchants or C-end consumers, and regardless of the distance – whether within the same city, within the province, or across provinces – this comprehensive approach can press the "acceleration button" for transportation.

SF has established a multi-tiered fast-fulfillment service system, including "half-day delivery, same-day delivery, and next-day delivery," which provides tailored and time-sensitive services for various types of commodities. This system optimizes logistics costs while enabling merchants to deliver goods to consumers more quickly, effectively balancing logistics costs with transportation efficiency and supporting the stable development of business and the economy.

As of the end of 2024, the half-day delivery service in Greater Metropolitan Areas has expanded to **291** cities nationwide.

Lakeview Peach Fresh Delivery, SF Express Lane Accelerates



In late July 2024, in Yangshan Town, Wuxi, Jiangsu Province, the "Lakeview" variety of peaches, known as the "honeydew" of peaches, was officially launched. This variety not only has a short fruiting period but is also difficult to keep fresh and is prone to damage. As a result, local farmers were eager to ship the peaches out quickly. To meet this demand, SF invested in 6 special peach planes, 54 all-cargo aircraft, and 256 transportation trunk lines. These resources not only ensure that the peaches can be delivered to core consumption areas such as Jiangsu, Zhejiang, and Shanghai within half a day but also enable next-morning delivery for cross-provincial or long-distance transportation. This initiative has set a unique "acceleration" benchmark in the express delivery industry.



Enhancing Customer Experience

SF has always been committed to delivering high-quality service experiences to its customers. By actively listening to customer feedback and promptly responding to their needs, the company drives comprehensive operational synergy across all links of its business. Customer satisfaction is positioned as the core objective of SF’s service quality management. Guided by customer needs, SF continuously strengthens its quality management, refines its service standards, and enhances its service philosophy and levels.

Customer Complaint Target and Achievement			
	2024 Target	Achievement in 2024	2025 Target
Customer Service	The dissatisfaction rate ²⁷ towards customer complaint service is lower than 5%	The dissatisfaction rate customer complaint service was 4.2%	The dissatisfaction rate towards customer complaint service is lower than 4%

In 2024, the company focused on enhancing the service quality of its express products by launching 24-hour online services to ensure timely responses to customer needs. By systematically collecting and analyzing customer feedback, the company redesigned the complaint handling process for its express products, established clear and measurable service improvement targets, and significantly enhanced service quality. As of the end of 2024, customer satisfaction with the company’s express products had increased by over 30%. Additionally, the company optimized its internal management systems and standards in customer claims handling and express routing display to effectively improve customer experience.

Customer Complaint Management

SF has established a comprehensive suite of management systems, including the *Measures for Accepting Customer Complaints*, *Complaint Handling Process*, *Claims Management Measures*, and *Complaint Handling Escalation Mechanism*, to ensure that customer issues are resolved in a timely and efficient manner. Additionally, the company has developed the *Emergency Response Capability System*, which sets grading and classification standards for customer complaint incidents, enabling effective responses to various emergencies and significantly enhancing the efficiency of customer complaint responses.

The company adheres to the principle of “customer first, experience first” and has established a unified digital after-sales service platform that integrates diverse customer service channels, ensuring uninterrupted 7×24-hour service. In line with industry characteristics and customer needs, the company has introduced differentiated claims services, such as direct customer service compensation and negotiated claims with insurance companies, to effectively enhance the after-sales service experience.

In 2024, SF received a total of 11,815 valid complaints related to its products and services, and all complaints were handled with a 100% resolution rate.

Customer Satisfaction Survey

SF conducts quarterly customer satisfaction and Net Promoter Score (NPS) surveys using online questionnaires and random stratified sampling. These surveys continuously monitor the NPS and satisfaction scores of both corporate and individual customers. In 2024, the total sample size for SF’s customer satisfaction surveys exceeded 160,000, covering hundreds of cities nationwide. The survey content includes over 40 sub-indicators across six major dimensions: NPS, express delivery timeliness, express delivery safety, collection and dispatch services, sales services, after-sales services, and system services.

According to the State Post Bureau’s 2024 Express Delivery Service Public Satisfaction Survey, SF ranked first²⁸ in the first three quarters of 2024.

SF received a total of **49,708** complaints related to its products and services all complaints were handled with a **100%** resolution rate

SF ranked **first** in the first three quarters of 2024

²⁷ The dissatisfaction rate with customer compliant service is derived from satisfaction ratings with respect to the handling of customers’ complaint issues, which equals to, the number of customers dissatisfied with the handling of their complaint issues / total number of customer complaints.

²⁸ As of the disclosure date of this report, the 2024 public satisfaction survey data on express delivery services has not been released.

Securing Safety Delivery


SF strictly complies with laws and regulations, including the *Postal Law of the People’s Republic of China*, the *Measures for the Supervision and Administration of Postal Delivery Safety*, the *Measures for the Administration of Real-Name Collection and Delivery of Mail and Express Mail*, and the *Regulations on the Administration of Prohibited Delivery Items*, continuously enhancing its delivery safety management level. The company has established the “Three Systems” Management Regulations for Delivery Security, which clearly defines the core control principles of “real-name collection and delivery, inspection upon collection, and machine-based security checks” to comprehensively ensure the safety of express delivery. In 2024, SF further refined its internal management standards for battery collection and delivery in accordance with relevant battery delivery specifications, ensuring the safe transport of high-risk items.

Real-Name Authentication Management

Since China comprehensively promoted the real-name express delivery system in 2015, SF has always actively responded to and strictly implemented regulatory policies, continuously optimizing the real-name authentication process to ensure delivery security and user information security. On March 1, 2024, the *Measures for the Administration of the Express Delivery Market* revised and issued by the Ministry of Transport came into effect, further emphasizing the importance of real-name collection and delivery, inspection upon collection, and machine-based security checks. These measures are designed to enhance the safety and reliability of express delivery services.


The company fully implements the real-name collection and delivery system through process integration, system enforcement, and performance monitoring, requiring couriers to verify the sender’s identity when collecting parcels. In 2024, the company introduced a facial recognition system into the real-name authentication process as an auxiliary means of identity verification. This significantly enhances the accuracy and efficiency of sender identity verification, ensuring the safety and compliance of the delivery process.

In 2024, the SF real-name online registration rate was **99.93%**, a further increase from 2023.




Process Integration

- Real-name delivery is connected with the “National Network Identity Authentication Platform” of the Ministry of Public Security, and user information is authenticated with the help of the public security authoritative platform to ensure the authenticity and effectiveness of the information;
- Display the “online real name” prompt and real name link on the WeChat applet and APP order page to guide customers to complete the real-name authentication operation before placing an order;
- Regularly verify the real-name information of monthly customers (corporate customers), and prompt the system to modify the erroneous data to improve the accuracy of real-name information.



System Enforcement

- Automatically identify the customer ID card through OCR/NFC, and adopt the original ID card + two-element verification mode to ensure the validity of real-name authentication;
- Add the function of scanning “I” real name, and users automatically jump to the applet for real-name authentication after scanning QR code using WeChat;
- Optimize real-name prompts, add real-name authentication prompts before, when and after placing an order, and inform users in advance to prepare valid certificates.



Performance Monitoring

- Analyze the causes of the real-name abnormal notification data of enterprises monitored by the State Post Bureau, output it in the form of daily newspapers simultaneously, and urge relevant organizations to improve the problems.

Management of Prohibited and Illegal Items

SF strictly adheres to the *Regulations on the Administration of Prohibited Delivery Items*, and formulates as well as dynamically updates the *Standards for Consignment of Commonly Received and Delivered Items* to ensure that the delivery safety management system remains up-to-date. The company regularly conducts special rectification activities on delivery safety, employing multiple measures such as enhanced inspection and management, in-depth employee training, and optimized incentive mechanisms. These efforts effectively prevent prohibited items from entering the delivery channels and ensure proper disposal of any prohibited items that have already entered the channels. Through these initiatives, SF is committed to maintaining the safety and smoothness of delivery channels and creating a safe and stable delivery service environment for the public.

Inspection and Management of Prohibited Articles

SF actively collaborates with relevant state departments to jointly combat the transportation of illegal and prohibited items. The company implements comprehensive and rigorous security checks on each parcel to ensure the safety of express parcels. In 2024, SF significantly reduced the transport of prohibited items through a series of special operations and honored 412 security personnel who proactively reported prohibited items. Currently, there are more than 1,000 licensed security personnel across the network. A total of 21,680 illegal and prohibited items were detected throughout the year, a decrease of 44% compared to 2023. This fully reflects the company's remarkable achievements in enhancing the safety awareness of its employees and the public's perception of safe delivery.

Pickup and delivery inspection

- The system is implanted with the *Standards for Collection and Delivery of Common Entrusted Items* to warn and intercept illegal items during customer orders and brother collection;
- Implement compulsory photo inspection of high-risk express mail, and upload it to the system to strengthen the safety control of receiving and sending.

Security check implementation

- Increase investment in high-speed security inspection equipment and improve the quality of security inspection.
- The self-developed smart security inspection platform realizes the integration of sorting and security inspection, automates package processing, and supports remote multi-site simultaneous research and judgment of suspected contraband.

Government-enterprise collaboration

- Strengthen cooperation with public security, national security and other departments, accurately track and intercept express mail of suspicious persons in the receiving, sending and transit links, and actively communicate and cooperate with the handling of suspicious items.

Positive incentives

- Formulate the *Measures for the Administration of Rewards for Self-examination of Illegal Contraband* to encourage safety inspectors to proactively discover and report suspected prohibited items.

Training on Identification of Prohibited Articles

To continuously enhance employees' ability to identify illegal and prohibited items, SF regularly conducts specialized training activities for grassroots employees. In 2024, the company comprehensively strengthened employees' safety awareness and skills by combining online platforms with offline training, as well as through self-training, morning meetings, and other forms. This approach ensures that every employee can proficiently master the professional ability to identify and dispose of prohibited items, thereby providing a solid guarantee for delivery safety.

In 2024, the coverage rate of safety delivery training for the couriers is **100%**, and the qualification rate of the trainings was **99.9%**.

Dangerous Goods Transportation Management

SF strictly complies with the relevant laws and regulations for the transportation of dangerous goods and has established a comprehensive dangerous goods transportation management system covering the entire process. This includes the *Dangerous Goods Transportation Manual* and the *Emergency Response Guide for In-flight Dangerous Goods Incidents*, which set refined safety standards for the classification, identification, packaging, collection, transportation, inspection, and delivery of dangerous goods. The company also strengthens dynamic monitoring throughout the entire transportation process to ensure safety. SF Airline continues to break through industry qualification barriers. It possesses qualifications for the transportation of Class 1-9 dangerous goods for self-use aviation materials and commercial purposes. Additionally, it has become the first domestic airline to obtain the A99 international air transport certification. These achievements highlight SF's capabilities in international compliance and operational standards.

Overcoming Challenges in Nuclear Power Transport Equipment and Setting High-End Logistics Standards

In 2024, SF collaborated deeply with a renowned nuclear power equipment company and successfully overcame the technical challenges associated with the cross-border transportation of nuclear power special equipment. Confronted with the significant size and stringent transportation requirements of nuclear power equipment, SF leveraged the global freight hub advantages of Ezhou Huahu Airport. The company innovatively adopted pre-customs declaration and pre-examination, as well as off-site customs declaration models, to achieve the full transportation of equipment from domestic warehouses to Frankfurt, Germany, in just 15 hours. This represents a more than 40% improvement in timeliness compared to the industry average. By utilizing customized radiation-resistant outer packaging, precise route planning, and a full-link monitoring system, SF ensured "zero damage and zero delay" throughout the entire process, from loading registration to delivery. Additionally, by integrating the airport's capabilities in handling nine categories of dangerous goods, SF provided one-stop services such as professional loading and installation, achieving both safety and compliance standards.

This cooperation marks the authoritative validation of SF's technical and service capabilities in the field of high-end dangerous goods transportation. SF not only advances the standardization of nuclear power equipment transportation but also leverages its dual strengths in resource integration and technological innovation to provide efficient logistics support for the globalization of "Made in China".

Qingdao SF Launches Regular Sea Transportation of Nuclear Power Special Equipment

Collaborate with Industry, Academia and Research Forces to Create New Standards for Battery Transportation

In 2024, SF was invited to join the Power Battery International Logistics Supply Chain Community. in collaboration with the China Association of Communication Enterprise Management (CACEM), Chongqing Jiaotong University, and the Shanghai Research Institute of Chemical Industry, SF has established a technological collaborative innovation platform and a global logistics network. These initiatives aim to enhance the improvement of transportation standards, drive technological innovation, and foster the training of professional talent. The collaboration covers the entire supply chain, including the import of ore raw materials, battery production logistics, recycling of used batteries, and cross-border transportation by air, sea, and land.

By integrating automotive industry supply chain resources and hazardous materials transportation capabilities, SF has developed an integrated solution spanning from lithium battery raw materials to end products, providing safe and efficient logistics support for the new energy industry. At the 2024 World Power Battery Conference held in September, SF deeply engaged in discussions on industry standards, leveraging its practical experience to empower the green and safe development of power battery transportation. This further solidifies SF's position as a benchmark in the field of dangerous goods transportation.

SF was invited to join the International Logistics Supply Chain Community of power batteries

Driving Industry Synergy and Shared Progress

SF always embraces the development philosophy of openness and sharing, and actively engages in the transformation of the global logistics system and industrial upgrading through multi-dimensional practices, including technological innovation, standard co-construction, and ecological synergy. On the international stage, SF leverages intelligent solutions to enhance cross-border logistics efficiency, thereby supporting the globalization of Chinese enterprises. Domestically, we focus on core issues of sustainable development and collaborate with industry partners to explore pathways for green transformation. By establishing collaborative platforms for industry, academia, and research, advocating consensus on responsibility, and exporting innovative models, SF is leading the industry's high-quality development as a pioneer, and continuously empowering the construction of a more resilient and sustainable global logistics ecosystem.

Connecting the World Wisely and Deepening Cross-Border Synergy

SF actively responds to the Belt and Road Initiative, deeply participates in the "Express Delivery to the Sea" project, and is committed to building an efficient and interconnected international delivery logistics system. By integrating domestic and international end-to-end supply chain service capabilities, the company provides all-round support for the global layout of Chinese-funded enterprises and helps customers achieve efficient cross-border business operations. In order to further promote the development of international business and better serve the country's Belt and Road construction, SF officially joined the Universal Postal Union Advisory Committee (UPUCC) in early 2024, becoming an important participant in policy formulation and rule discussion in the global postal field.

As an authoritative body in the postal sector, the UPUCC brings together global postal experts, industry leaders, and business representatives, and is dedicated to providing professional advice on postal services, technology, regulations, and international cooperation. In recent years, the UPU has gradually opened up to a broader range of industry participants, creating significant opportunities for private courier companies to integrate into the global network and deepen international cooperation. SF's membership not only signifies the recognition of its influence in the international postal arena, but also offers a new platform for Chinese courier companies to engage in the formulation of global rules and drive high-quality industry development.



SF representatives attend the UPUCC Autumn General Assembly

Since joining, SF has actively engaged in various meetings and agendas of the UPUCC, particularly the "Postal Prosperity Zone (PPZ) Pilot Project." This project aims to foster in-depth cooperation between private courier companies and UPU-designated operators, driving the coordinated development of global cross-border e-commerce logistics. Through its participation, SF has fully leveraged the UPU's extensive global network resources to achieve resource sharing and complementary strengths, thereby accelerating the implementation of its international strategy. This not only enhances SF's competitiveness within the global logistics ecosystem but also sets a benchmark for Chinese courier companies to participate in international rule-making and promote high-quality industry development.

SF Smart Security Platform Unveiled at UPU World Leaders Forum

From 22 to 24 October 2024, the UPU World Leaders Forum was held in Amsterdam, the Netherlands. At the forum, SF delivered a speech titled "Smart Security Inspection Platform for Postal Express," sharing with the global postal industry how the platform leverages intelligent technology to complete the security inspection of parcels at high speed, with high accuracy and efficiency. This has driven a dual improvement in the efficiency and safety of express security inspection.

The SF Smart Security Inspection Platform has been deployed in over 100 transit hubs within the company and is equipped with more than 1,000 high-speed X-ray scanners. Compared with traditional security inspection machines, the platform achieves an efficiency improvement of more than 8 times. It has obtained 16 invention patents, won multiple awards in relevant technological innovation competitions in China, and has been successfully applied to other companies in the industry.

Faced with the trend of improving global express security standards, SF advocated cross-border collaboration in the forum, calling on the industry to share data resources and algorithm capabilities, jointly overcome technical bottlenecks such as rare contraband identification, and help build an efficient and credible global delivery network.



SF speech theme "Postal Express Smart Security Inspection Platform"

SF Becomes a Founding Member of the Global Sustainable Transportation Innovation Alliance

In April 2024, SF, as a founding member of the Global Sustainable Transportation Innovation Alliance, represented the express logistics industry at the first general meeting of the Global Sustainable Transportation Innovation Alliance.

The alliance is composed of 41 leading enterprises and institutions in 12 countries around the world, covering the fields of roads, water transport, railways, civil aviation, postal services, finance and technology, and is committed to building an international sustainable transportation innovation cooperation platform. The addition of SF not only demonstrates its responsibility in promoting the sustainable development of global transportation, but also provides a practical model for the green transformation of the express logistics industry. By participating in alliance cooperation, SF will join hands with global partners to jointly explore low-carbon transportation solutions, promote industry resource optimization and technological innovation, and contribute to building a greener, more efficient and sustainable global transportation ecology.

Gather Local Efforts to Drive Green Changes

In the logistics industry, efficiency and speed have always been the core elements of competition. Driven by the global wave of sustainable development, ESG management is emerging as a key force in reshaping the industry landscape. In August 2024, at the 13th Transportation Union Summit, the China Logistics ESG Synergy Alliance was officially established. The Alliance aims to promote the development of ESG practices in the logistics industry, optimize the allocation and complementarity of resources, and enhance the international competitiveness of Chinese logistics companies.

As one of the co-founders of the Alliance, SF collaborates with upstream and downstream enterprises across the logistics industry chain to jointly explore and establish ESG disclosure standards and practice pathways that align with the unique characteristics of China's logistics sector. By integrating industry resources and innovative experiences, SF is committed to setting ESG practice benchmarks and driving the logistics industry towards greener, healthier, and more sustainable development.



The establishment ceremony of the China Logistics Industry ESG Collaborative Development Alliance

The China Logistics ESG Synergy Alliance Initiative:

- Logistics practitioners should adhere to professional ethics and strictly comply with operating standards and laws and regulations.
- Strengthen industry self-discipline, jointly maintain market order, and jointly build a transparent and efficient logistics ecosystem.
- Actively promote the concept of green logistics to reduce environmental pollution and achieve sustainable development.
- Let us join hands to eliminate negative impacts through practical actions and establish a positive image for the logistics industry.

Driven by both international collaboration and local practice, SF is leveraging technological innovation as the link and responsibility consensus as the cornerstone to continuously unlock the value of industry synergy and inject robust momentum into the sustainable development of the global logistics ecosystem.

Appendices

About the Report

This is the sixth annual sustainability report issued by S.F. Holding Co., Ltd.. Adhering to the principles of balance, comparability, accuracy, timeliness, clarity and reliability, this report discloses the management measures and effectiveness of S.F. Holding Co., Ltd. in terms of sustainable development.

Report Title

For the convenience of expression and reading, “SF”, “the Company”, “we” and “the Group” in this Report all refer to “S.F. Holding Co., Ltd.”.

Time Range

This report covers the period from 1 January 2024 to 31 December 2024.

Reporting Scope

The reporting scope of general disclosure, management of substantive issues, and social key performance indicators in this report aligns with the scope of the consolidated financial statements in SF Holding's annual financial report. To more comprehensively and accurately reflect the Company's environmental key performance indicators, the Company will continuously refine the data statistical calibers and methodologies for each environmental performance indicator to ensure data reliability. If there are additional explanations regarding the coverage of certain information in this report, such explanations shall prevail.

Reference and Principles

The content of this report has been determined in accordance with a systematic process. This process includes research and interviews, identification of significant stakeholders, identification of material ESG issues, understanding the views of various stakeholders, determining the materiality of issues, deciding the scope of ESG reporting, collecting relevant information and data, verifying the information and data, preparing the report based on the collected information and data, and review and approval of the report by the Board of Directors.

The references for the preparation of this report include:

- ✿ HKEx *Appendix C2 Environmental, Social and Governance Reporting Code*
- ✿ Shenzhen Stock Exchange's *Self-Regulatory Guidance No. 17 for Listed Companies — Sustainability Report (Trial)* and *Self-Regulatory Guide No. 3 for Listed Companies — Preparation of Sustainability Reports*
- ✿ Global Sustainability Standards Board (GSSB) *GRI Standards*
- ✿ *Task Force on Climate-related Financial Disclosures (TCFD) recommendations*
- ✿ International Sustainability Standards Board (ISSB) *IFRS S2 Climate-related Disclosures*
- ✿ Sustainability Accounting Standards Board (SASB) *SASB Standards*
- ✿ United Nations Sustainable Development Goals (SDGs)
- ✿ Key indicators of corporate environmental, social, and governance performance by capital market rating agencies.

Reporting Principles

This Report responds to and follows the reporting principles of the Environmental, Social and Governance Reporting Guide, including materiality, quantitative, consistency and balance. The following table describes the Company's application of the reporting principles:

Principles	Responses of the Company
Materiality	In 2024, SF conducted its first double materiality analysis to assess the Company's ESG materiality issues and submitted the results to the Strategy Committee of the Board of Directors for review and approval. We have used the 2024 materiality ranking results as the foundation for the preparation of this report. In terms of climate-related disclosures, SF has conducted a detailed analysis of the financial impacts of climate change risks and opportunities on the Company in the current, short-term, medium-term, and long-term periods during the reporting period.
Quantitative	This report discloses SF's key quantitative performance indicators and sets ESG targets where applicable. The calculation criteria, methods, assumptions, and/or calculation tools for all quantitative metrics have been explained in the appropriate sections.
Consistency	Unless otherwise specified, the selection, preparation, and reporting of information in this report are consistent with those of previous years. If there are any significant changes that may impact comparability with prior years' reports, we will provide explanations in the relevant sections.
Balance	This report is based on objective information and facts, and fairly discloses positive and negative information about the company to prevent descriptions or reporting formats that may affect readers' decisions or judgments.

Meanwhile, the Report responds to and follows the reporting principles of the GRI standard. The following table is the Company's explanation of the application of the reporting principles:

Principles	Responses of the Company
Accuracy	<p>This report aims to disclose accurate and detailed information to fully assess the relevant impacts of the Company's sustainability. Qualitative information is primarily sourced from corporate announcements, the official website, the official WeChat public account, and internal materials. Quantitative data is mainly obtained through the internal data collection system, with key financial data (such as operating revenue) derived from the Company's annual report. The basis for data measurement and calculation, as well as the fundamental assumptions and methods used to estimate the data, are explained in the relevant sections of the report.</p> <p>This report has undergone several rounds of rigorous review by the Company to ensure the accuracy of the disclosed information.</p>
Clarity	In the process of compiling this report, the reading needs of different reader groups have been fully considered. It is written in accessible language, and detailed explanations of English abbreviations and technical terms are provided in relevant sections of the report. The report is published in three language versions – Simplified Chinese, Traditional Chinese, and English – to cater to the language preferences of diverse readers. Additionally, a detailed table of contents and an index of appendices are included to facilitate readers in quickly locating and accessing the information they need.
Completeness	This report is based on the results of the 2024 SF Materiality Assessment and provides a comprehensive disclosure of the Company's management measures, practices, events, and their impacts in each materiality area. Additionally, the reasons for which certain compliance disclosure requirements are deemed inapplicable or have been simplified are detailed in the index of appendices.
Sustainability Context	This report discloses relevant information of the Company in the context of broad sustainable development, with full reference to the United Nations Sustainable Development Goals (SDGs), the climate action goals of the Paris Agreement, relevant authoritative intergovernmental documents, and the sustainability-related policies of the locations where it operates.
Timeliness	This annual sustainability report is published concurrently with the Company's annual financial report, aiming to provide readers with timely information for decision-making purposes. The information disclosed in this report covers the period from 1 January 2024 to 31 December 2024. To ensure the completeness of the information, the time frame for some information has been appropriately extended both forward and backward.
Verifiability	The Company has developed a digital information platform that enables the collection and calculation of data related to energy consumption and greenhouse gas emissions. This platform has been subject to review by external professional organizations. The data and information compiled, recorded, aggregated, and analyzed in this report are sourced from verified primary data and do not include any unverified content.

Information Explanation

In March 2025, SF Holding successfully underwent the verification conducted by SGS, a renowned international independent third-party inspection and verification organization. The Company completed the third-party certification of its greenhouse gas emissions for the year 2024 and obtained the Verification Statement on Greenhouse Gas Emissions.



For the monetary amounts stated in the Report, unless otherwise stated, the currency in the Report is denominated in RMB.

This Report is published in both Chinese and English. If there is any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

Release of this Report

This report, confirmed by management, was approved by the Board of Directors on 28 March 2025 and released concurrently with the annual financial report.

Accessibility of this Report

You can obtain the electronic version of this Report from the following website: SF's official website <https://www.sf-express.com>.

For further consultation, or to offer any opinion or suggestion about this Report, please contact the Company via sfir@sf-express.com.

Assurance Statement

ASSURANCE STATEMENT
CN25/00001686

SGS-CSTC S.F. Holding Co., Ltd'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE S.F. Holding Co., Ltd Sustainability Report FOR 2024

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by S.F. Holding Co., Ltd (hereinafter referred to as S.F. Holding) to conduct an independent assurance of the Chinese version of S.F. Holding Co., Ltd Sustainability Report FOR 2024 (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all S.F. Holding's Stakeholders.

RESPONSIBILITIES
The information in the Report and its presentation are the responsibility of the governing body and the management of S.F. Holding. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all S.F. Holding's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, it assessed the extent to which the Report's content refers to the requirements of *GRI Standards 2021*.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees onsite at Block B, TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen, Guangdong Province, China, documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION
Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

This assurance engagement was restricted to the group level of S.F. Holding Co., Ltd and did not include traceability of original data from all subordinate institutions.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from S.F. Holding Co., Ltd, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, the specified performance information included in the scope of assurance is accurate, reliable, and has been fairly stated.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON GRI STANDARDS 2021

The assurance team concludes that the Report has referred to the requirements of GRI Standards 2021.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the Internal Management Report on Sustainability Reporting Assurance. This report has been officially presented to the relevant management divisions of S.F. Holding Co., Ltd to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 20th, 2025
WWW.SGS.COM



Policy List

Chapter	Chapter name	Compliance with the main laws and regulations	SF's Main Internal Regulations
Governance	Standardize Corporate Governance	Company Law of the People's Republic of China Securities Law of the People's Republic of China Shenzhen Stock Exchange Stock Listing Rules Securities Listing Rules of The Stock Exchange of Hong Kong Limited Guidelines for the Management of Investor Relations Work of Listed Companies Corporate Governance Guidelines for Listed Companies	Articles of Association of SF Holdings Co., Ltd. Rules of Procedure of the Board of Directors Rules of Procedure of the Supervisory Board Rules of Procedure of the Shareholders' Meeting Independent Directors' Working System Board Risk Management Committee Rules of Procedure Board Audit Committee Rules of Procedure Board Nomination Committee Rules of Procedure Board Compensation and Assessment Committee Rules of Procedure Board Strategy Committee Rules of Procedure Investor Relations Management System Company's Management System for Information Disclosure
	Strengthen Risk Control Management	Corporate Governance Guidelines for Listed Companies Securities Listing Rules of The Stock Exchange of Hong Kong Limited Basic Norms for Internal Control in Enterprises	Rules for the Operation of the Risk Committee Group Risk Control and Compliance Management System Group Risk Event Management System
	Abiding by Business Ethics	Anti-Unfair Competition Law of the People's Republic of China Interim Provisions on Anti-Unfair Competition on the Internet Anti-Monopoly Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Trademark Law of the People's Republic of China Copyright Law of the People's Republic of China Audit Law of the People's Republic of China Patent Law of the People's Republic of China Interim Provisions on Prohibiting Commercial Bribery Accounting Standards for Enterprises – Application Guidelines Regulations of the Audit Office on Internal Auditing Work	SF Express Anti-Monopoly and Competition Law Compliance Management System Integrity Handbook Employee Handbook SF Anti-Corruption Compliance Management System Reporting Management Measures Code of Business Conduct Code of Conduct for Suppliers Anti-Corruption Statement Conflict of Interest Statement SF Intellectual Property Management System SF Software Compliance Management Measures
	Ensuring Information Security	Personal Information Protection Law of the People's Republic of China Data Security Law of the People's Republic of China Cybersecurity Law of the People's Republic of China	Management Standard for Compliance Inspection of Personal Information Protection Data Lifecycle Security Management Regulations Information Security High-Risk Behavior Management Measures Information Security Incident Management Regulations Privacy Data Security Compliance Management Standards Employee Information Security Handbook

Chapter	Chapter name	Compliance with the main laws and regulations	SF's Main Internal Regulations
Environment	Creating Green Logistics	Method and criteria for green packaging assessment Requirements of restricting excessive packaging in express delivery	SF Airline Energy Management System (Provisional) Administrative Measures for Updating and Disposing of Operational Vehicles Regulations on the Administration of Operational Vehicles Put into Use Lump-sum Fuel Consumption Plan for Commercial Vehicles Regulations on the Administration of Water and Electricity in the Industrial Parks Management Guide for Maintenance of Industrial Park Facilities and Equipment Industrial Park Property Service Standards SF Packaging Code of Practice Requirements for Restricting Excessive Packaging in Express Delivery
	Promoting Circular Economy	Circular Economy Promotion Law of the People's Republic of China	No relevant internal management policies
		Air Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution Energy Conservation Law of the People's Republic of China Water Law of the People's Republic of China Water Pollution Control Act of People's Republic of China Soil Pollution Prevention and Control Law of the People's Republic of China Integrated Emission Standard of Air Pollutants Emission Standards for Odor Pollutants Emission Standard for Industrial Enterprises Noise at Boundary Standard for Noise Limits at the Boundary of Construction Plants Self-monitoring technology guidelines for pollution sources – General rule Regulation on the Administration of Permitting of Pollutant Discharges Comprehensive Wastewater Discharge Standard Standard for pollution control on the non-hazardous industrial solid waste storage and landfill" (GB 18599-2001) Guidelines for the Investigation of Soil Pollution Hazards in Key Regulatory Units (Trial)	Measures for Office Space Management Energy Metering Management System Dangerous Goods Management Procedure Measures for the Administration of Water and Electricity of Property Sites
	Safeguarding Ecological Environments	Forestry Law of the People's Republic of China Regulations for the Implementation of Forestry Law of the People's Republic of China Regulations of the People's Republic of China on Wild Plants Protection	No relevant internal management policies
	Addressing Climate Change	No relevant laws and regulations	No relevant internal management policies

Chapter	Chapter name	Compliance with the main laws and regulations	SF's Main Internal Regulations
Social	Construction of Talent Team	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China Employment Promotion Law of the People's Republic of China	Statement on Employee Rights Protection Contractor regulations Administrative Measures for Relatives and Bidding Avoidance Talent Management System Talent Promotion Management System Sf sends you to University Project Management Methods Retirement and reemployment management methods Management measures for the transfer of first- and second-line employees First- and second-line employees diversified development of key positions within the employment issued standard requirements SF Recruitment Management System
			Employee Welfare Management System Employee Care Operation Guide Manual Employee Voice Transformation into Productivity Work Guide the Employee Handbook Employee Grievance Information Disclosure Guide Flexible Working System Attendance Management Regulations Employee Grievance Management Full Process Trade Union Participation in Extreme Events Work Guide Trade Union Channel Employee Grievance Handling Work Guide Trade Union Channel Common Grievance Promotion Guide Trade Union Participation in Individual Dismissal Types Reporting Materials Standard Reasonable Suggestions Management Mechanism Regulations on the Administration of Rewards and Punishments
	Protecting Employees' Rights and Interests	Law of the People's Republic of China on the Protection of Rights and Interests of Women Social Insurance Law of the People's Republic of China Regulations on Work-related Injury Insurance Provisions on the Prohibition of the Use of Child Labor Special Provisions on the Labor Protection of Female Employees Regulations on Paid Annual Leave for Employees Trade Union Law of the People's Republic of China	

Chapter	Chapter name	Compliance with the main laws and regulations	SF's Main Internal Regulations
	Stand Firm on the Frontline of Safety Stable and Safe Production	Work Safety Law of the People's Republic of China Special Equipment Safety Law of the People's Republic of China Fire Protection Law of the People's Republic of China the Law of People's Republic of China on Prevention and Control of Occupational Diseases Guidelines for Occupational Health and Safety Management Systems Byelaw Governing Reporting, Investigation and Handling of Production Safety Accidents Regulations on emergency response to production safety accidents Regulations on the administration of safe production of construction projects Guidelines for the Construction of Safety Production Management Systems in Postal and Express Delivery Enterprises	Safety Production Management Manual Safety Production Responsibility System Regulations on Acquisition, Identification, and Compliance Evaluation of Safety Laws and Regulations Regulations on Safety Assessment and Incentive Management Regulations on Safety Visual Management Regulations on Extraction and Use of Safety Production Expenses Regulations on Management of Safety Production Organizational Structure Regulations on Safety Management of Transit Depots Operations Measures for Safety Management of Forklifts in Transit Depots Regulations on Safety Management for Installation and Construction of Sorting and Conveying Equipment Regulations on Closed Management of Transit Depots Regulations on Management of Safety Supervisors Regulations on Management of Safety Production Directors Regulations on Safety Education and Training Management Regulations on Hazard Source Identification, Risk Assessment, and Control Management Regulations on Hazard Identification and Treatment Management Regulations on Safety Management of Hazardous Operations Procedures for Safe Operation of Post Property Safety Management Regulations Regulations on Safety Management of Contractors Regulations on Reporting and Investigation of Safety Accidents Regulations on Emergency Response Management Regulations on Reward Management for Self-Inspection of Illegal Prohibited Items Regulations on Safety Management of Vehicles and Parcel Dispatch within the Depots
	Building a Responsibility Value Chain	E-Commerce Law of the People's Republic of China Contract Law of the People's Republic of China The Bidding Law of the People's Republic of China Regulation on the Implementation of the Bidding Law of the People's Republic of China Measures for the Administration of Non - bidding Methods of Government Procurement	Procurement Requirements Management Regulations Regulation of Procurement Sourcing Management Regulations on Procurement Risk Regulations on the Management of Purchasing Staff Procurement Enforcement Regulations Procurement Contract Management Regulations Procurement Quality Management Regulations Management Regulations on Procurement Suppliers Code of Conduct for Suppliers Letter of Notification of Transparent Procurement
	Sustaining Commitments to Social Wellbeing	Charity Law of the People's Republic of China	Articles of Association of SF Foundation Volunteer Association Management Regulations of SF Foundation

Chapter	Chapter name	Compliance with the main laws and regulations	SF's Main Internal Regulations
Services	Pioneering Intelligent Logistics Innovation	No relevant laws and regulations	No relevant internal management system
	Empowering Enterprises Expanding Overseas	No relevant laws and regulations	No relevant internal management system
	Delivering Premium Services	Law of the People's Republic of China on the Protection of Consumer Rights and Interests	Reasonable Suggestion Management Mechanism Reward and Punishment Rules for Customer Service Differentiated Customer Services Customer Voice Classification Standard Customer Experience Customer Service Operation Process Measures on the Acceptance of Customer Complaints Administrative Measures for Claims Settlement Abnormality Handling Mechanism for Time-Effective Category Complaint Handling Procedure Complaint Handling Upgrade Mechanism Guidelines for the Control of Internet Public Opinions and Complaints Abnormal Event Customer Service Process Emergency Response Capacity System
	Securing Safety Delivery	Postal Law of the People's Republic of China Measures for the Administration of the Real-Name Receipt and Delivery of Mails and Express Mails Supervision and Administration of Security of the Postal Industry Measures for the Supervision and Administration of the Delivery Safety of the Postal Industry Provisions on Articles Prohibited from Delivery Operation Specification in Safety Production of Express Service	Common Standards for Receiving Consignments Regulations on Operation and Management of Battery-Contained Parcels Guidelines for Emergency Handling of Dangerous Goods on Board Provisions on the Management of "Three Systems" for Delivery Safety Provisions on the Administration of Prohibited Consignments Operation Procedures for Real-Name Pickup and Delivery Pickup and Delivery Inspection System Dangerous Goods Transportation Manual Special Plan for the Control of Illegal and Prohibited Articles Regulations on the Management of "Three Systems" for Mails and Shipments Reward Management Measures for Self-Inspection of Illegal and Prohibited Articles Reward Mechanism for Self-Inspection of Illegal and Prohibited Articles
	Driving Industry Synergy and Shared Progress	Anti-monopoly Law of the People's Republic of China Civil Code of the People's Republic of China (Contract Part) Regulation on the Administration of the Registration of Social Organizations the State Council about Accelerating and Promoting the Reform and Development of Trade Associations and Chambers of Commerce	SF Group Association Membership Management Measures Management Measures for Participating in External Standard Development and Revision Projects

Key Performance Indicators

Table of Environmental Key Performance

Indicator – Environment		Unit	2022			2023			2024		
			SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total
GHG emissions ²⁹											
G H G emissions	Total GHG emissions	tCO ₂ e	9,185,355.1	2,472,955.0	11,658,310.1	9,659,416.6	2,444,634.0	12,104,050.6	9,463,418.5	2,987,414.0	12,450,832.5
	Scope 1	tCO ₂ e	3,143,752.0	322,253.0	3,466,005.0	2,652,365.1	215,018.0	2,874,104.1	3,045,612.0	116,401.0	3,162,013.0
	Scope 2	tCO ₂ e	1,804,248.5	80,543.0	1,884,791.5	1,465,521.8	79,916.0	1,545,437.8	1,328,969.1	78,409.0	1,407,378.1
	Scope 3 ³⁰	tCO ₂ e	4,237,354.6	2,070,159.0	6,307,513.6	5,541,529.7	2,149,700.0	7,691,229.7	5,088,837.3	2,792,604.0	7,881,441.3
	——Category 1: Purchased goods and services	tCO ₂ e	2,522,391.5	N/A	2,522,391.5	775,202.1	N/A	775,202.1	841,927.1	N/A	841,927.1
	——Category 2: Capital goods	tCO ₂ e	N/A	N/A	N/A	783,987.2	N/A	783,987.2	207,867.9	N/A	207,867.9
	——Category 3: Fuel and energy-related activities	tCO ₂ e	1,689,195.7	N/A	1,689,195.7	1,754,182.2	N/A	1,754,182.2	1,390,234.7	N/A	1,390,234.7
	——Category 4: Upstream transportation and distribution	tCO ₂ e	N/A	2,070,159.0	2,070,159.0	2,073,065.9	2,149,700.0	4,222,765.9	2,512,644.8	2,792,604.0	5,305,248.8
	——Category 5: Waste generated in operation	tCO ₂ e	1,492.1	N/A	1,492.1	3,303.1	N/A	3,303.1	1,053.5	N/A	1,053.5
	——Category 6: Business trip	tCO ₂ e	N/A	N/A	N/A	20,721.2	N/A	20,721.2	41,120.5	N/A	41,120.5
	——Category 7: Employee commuting	tCO ₂ e	24,275.3	N/A	24,275.3	25,070.6	N/A	25,070.6	25,339.4	N/A	25,339.4
	——Category 8: Upstream leased assets	tCO ₂ e	N/A	N/A	N/A	N/A	N/A	N/A	16,899.5	N/A	16,899.5
	——Category 12: End-of-life treatment of sold products	tCO ₂ e	N/A	N/A	N/A	10,217.8	N/A	10,217.8	3,560.9	N/A	3,560.9
	——Category 15: Investment	tCO ₂ e	N/A	N/A	N/A	95,779.7	N/A	95,779.7	48,189.0	N/A	48,189.0

Indicator – Environment		Unit	2022			2023			2024		
			SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total
GHG emission intensity		tCO ₂ e/million revenue (RMB)	47.6	33.1	43.5	45.4	53.4	46.8	41.2	54.7	43.8
GHG emissions per parcel ³¹		g CO ₂ e/parcel	824.5	N/A	824.5	807.0	N/A	807.0	709.9	N/A	709.9
GHG emissions removal	GHG removal from newly planted trees	tCO ₂ e	N/A	6.0	6.0	4.6	9.0	13.55	5.6	8.0	13.6
	Purchased carbon credits	tCO ₂ e	N/A	N/A	N/A	N/A	N/A	N/A	44.0	N/A	44.0
Emission											
Nitrogen oxide emissions		ton	25,555.5	2,416.0	27,971.5	27,246.4	1,907.0	29,153.4	25,045.2	528.0	25,573.2
Sulfur oxide emission		ton	20.6	6.0	26.6	18.2	3.0	21.2	17.4	0.8	18.2
Particle emissions		ton	2,087.3	156.0	2,243.3	2,021.2	118.0	2,139.2	2,011.1	35.0	2,046.1
Energy consumption ³²											
Non-renewable energy ³³	Total non-renewable energy consumption	MWh	18,546,599.7	1,673,098.0	20,219,697.7	17,506,785.1	1,005,665.0	18,512,450.1	18,320,256.3	544,719.0	18,864,975.3
		tce	2,278,114.1	205,509.8	2,483,623.9	2,150,391.7	123,527.7	2,273,919.4	2,250,311.9	66,908.9	2,317,220.8
	Gasoline consumption	MWh	1,100,111.1	15,339.0	1,115,450.1	1,394,864.5	13,424.0	1,408,288.5	1,870,846.6	12,205.0	1,883,051.6
		tce	135,128.7	1,884.1	137,012.9	171,333.9	1,648.9	172,982.8	229,799.6	1,499.2	231,298.8
	Diesel consumption	MWh	12,590,526.5	1,035,410.0	13,625,936.5	10,681,630.0	780,440.0	11,462,070.0	9,731,667.6	350,675.0	10,082,342.6
		tce	1,546,518.3	127,181.4	1,673,699.7	1,312,044.9	95,862.9	1,407,907.9	1,195,359.2	43,074.1	1,238,433.3
	Aviation kerosene consumption	MWh	4,855,962.1	N/A	4,855,962.1	5,430,290.5	N/A	5,430,290.5	6,717,577.2	N/A	6,717,577.2
		tce	596,467.1	N/A	596,467.1	667,012.9	N/A	667,012.9	825,132.8	N/A	825,132.8

Indicator – Environment		Unit	2022			2023			2024		
			SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total
	Natural gas consumption	MWh	N/A	1,410.0	1,410.0	N/A	909.0	909.0	165.0	1,399.0	1,564.0
		tce	N/A	173.2	173.2	N/A	111.7	111.7	20.3	171.8	192.1
	Liquefied petroleum gas consumption	MWh	N/A	2,808.0	2,808.0	N/A	2,112.0	2,112.0	N/A	1,870.0	1,870.0
		tce	N/A	344.9	344.9	N/A	259.4	259.4	N/A	229.7	229.7
	Compressed natural gas consumption	MWh	N/A	614,100.0	614,100.0	N/A	204,405.0	204,405.0	N/A	174,356.0	174,356.0
		tce	N/A	75,431.1	75,431.1	N/A	25,107.5	25,107.5	N/A	21,416.5	21,416.5
	Gas and oil consumption	MWh	N/A	4,031.0	4,031.0	N/A	4,375.0	4,375.0	N/A	4,214.0	4,214.0
		tce	N/A	495.1	495.1	N/A	537.4	537.4	N/A	517.6	517.6
Renewable energy	Total non-renewable energy consumption	MWh	7,271.2	901.0	8,172.2	15,712.0	1,402.0	17,114.0	44,073.7	3,837.0	47,910.7
	Solar energy consumption	MWh	7,271.2	768.0	8,039.2	15,712.0	1,378.0	17,090.0	44,073.7	3,581.0	47,654.7
	Hydropower consumption ²⁹	MWh	N/A	133.0	133.0	N/A	24.0	24.0	N/A	256.0	256.0
Indirect energy consumption	Electricity consumption	MWh	1,840,522.7	164,389.0	2,004,911.7	2,100,998.5	167,799.0	2,268,797.5	2,081,160.5	145,144.0	2,226,304.5
		tce	226,074.9	20,192.2	246,267.1	258,069.6	20,611.1	278,680.7	255,632.9	17,828.3	273,461.2
Total energy sold		MWh	74.8	657.0	731.8	57.2	479.0	536.2	1,330.3	836.0	2,166.3
Total energy consumption		MWh	20,394,318.8	1,837,731.0	22,232,049.8	19,623,438.4	1,174,387.0	20,797,825.4	20,444,160.2	692,864.0	21,137,024.2
		tce	2,505,073.0	225,732.0	2,730,805.0	2,410,384.3	144,252.2	2,554,636.4	2,511,195.1	85,105.8	2,596,300.9
Energy consumption intensity		MWh/million revenue (RMB)	105.8	24.6	83.1	92.3	25.6	80.5	89.0	12.7	74.3
		tce/million revenue (RMB)	13.0	3.0	10.2	11.3	3.2	9.9	10.9	1.6	9.1
Use of water resources											
Water withdraw		ton	1,423,452.0	1,169,181.0	2,592,633.0	1,601,051.4	1,042,625.0	2,643,676.4	2,148,565.7	747,469.0	2,896,034.7

²⁹ Due to differences in business models, this indicator is not applicable to SF (excluding KLN), and is therefore shown as N/A.

Indicator – Environment		Unit	2022			2023			2024		
			SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total
Water withdraw intensity		ton/million revenue (RMB)	7.4	15.7	9.7	7.5	22.8	10.23	9.3	13.7	10.18
Waste											
Non-hazardous waste		ton	46,096.3	28,442.0	74,538.3	155,214.6	20,113.0	175,327.6	71,680.3	6,345.0	78,025.3
Non-hazardous waste intensity		ton/million revenue (RMB)	0.2	0.4	0.3	0.7	0.4	0.7	0.3	0.1	0.3
Hazardous waste		ton	N/A ³⁰	142.0	142.0	N/A ³⁰	54.0	54.0	N/A ³⁰	95.0	95.0
Hazardous waste intensity		ton/million revenue (RMB)	N/A ³⁰	0.0019	0.00053	N/A ³⁰	0.0012	0.00021	N/A ³⁰	0.002	0.0
Amount of recycled waste		ton	N/A	N/A	N/A	N/A	N/A	N/A	12,652.4	0	12,652.4
Packaging materials											
Use of packaging materials ³¹	Total use of packaging materials	kg	445,093,236.0	9,203,000.0	454,296,236.0	477,113,830.4	5,672,000.0	482,785,830.4	509,788,812.8	3,822,000.0	513,610,812.8
	Express envelope	kg	75,219,380.0			73,959,992.9	N/A	73,959,992.9	62,496,828.6	N/A	62,496,828.6
	Waybill	kg	17,620,130.4			14,257,402.5	N/A	14,257,402.5	17,011,032.2	N/A	17,011,032.2
	Carton	kg	241,291,360.0			266,797,554.7	4,539,000.0	271,336,554.7	289,325,961.8	2,748,000.0	292,073,961.8
	Plastic bags	kg	41,596,926.6			51,729,610.9	1,100,000.0	52,829,610.9	63,431,526.2	1,035,000.0	64,466,526.2
	Scotch tapes	kg	28,412,018.0			26,013,021.8	N/A	26,013,021.8	28,721,914.5	N/A	28,721,914.5
	Foaming types of fillers	kg	12,814,718.2			12,884,490.8	33,000.0	12,917,490.8	17,388,517.5	39,000.0	17,427,517.5
	Inflatable type of fillers	kg	28,138,702.8			31,471,756.8	N/A	31,471,756.8	31,413,031.9	N/A	31,413,031.9
Environmental compliance											
The amount of penalties for significant administrative violations or criminal liabilities imposed by environmental protection and other relevant departments due to environmental incidents during the reporting period		RMB10,000	0	0	0	0	0	0	0	0	0

³⁰ SF (excluding KLN) does not generate hazardous waste in its own operations, and is therefore shown as N/A.

³¹ Due to differences in business models, some indicators in the usage of packaging materials are not applicable, and are therefore shown as N/A.

Table of Social Key Performance

Indicator -Society		Unit	2022	2023	2024
Number of workforce					
Total workforce		Person	743,377	746,577	739,542
By gender	Male	Person	623,980	627,408	626,242
	Female	Person	119,397	119,169	113,300
By age	Aged below 30	Person	244,875	226,221	232,004
	Aged 30-50	Person	485,308	508,251	492,255
	Aged over 50	Person	13,194	12,105	15,283
By job functions	Management (including primary-level managers)	Person	25,374	26,025	25,940
	Professional	Person	47,804	43,725	41,069
	Primary-level	Person	670,167	676,827	672,303
By region	Mainland China	Person	699,795	711,666	707,042
	Hong Kong, Macao and Taiwan	Person	7,158	7,176	6,662
	Overseas	Person	36,424	27,735	25,838
By job type	Full-time	Person	630,072	647,728	629,917
	Part-time	Person	113,305	98,849	109,625
Number of new hires		Person	323,493	305,817	215,118
Number of new female hires		Person	61,606	53,894	41,382
Number of truck drivers		Person	32,061	30,034	32,566
Number of departures					
Total departures		Person	142,540	122,037	119,993
Turnover rate ³²		%	19.2	16.3	16.2

³² Turnover rate = Total departures ÷ Total workforce

Indicator -Society		Unit	2022	2023	2024
By gender ³³	Male	%	18.6	15.9	15.6
	Female	%	22.2	18.7	19.4
By age ³⁴	Aged below 30	%	30.9	26.4	24.5
	Aged 30-50	%	13.6	12.1	12.6
	Aged over 50	%	7.2	7.4	8.2
By region ³⁵	Mainland China	%	17.2	15.2	13.7
	Hong Kong, Macao and Taiwan	%	25.3	22.5	23.6
	Overseas	%	55.2	43.3	83.1
Workforce rights and interests					
Percentage of workforce covered by collective agreement		%	49.0	100.0	100.0
Employee satisfaction		%	86.4	87.8	92.3
Health and safety					
The number of working days lost due to injury		Day	36,959	34,282	39,228
Deaths due to work-related injuries		Person	54	58	37
Death rate due to work-related injuries ³⁶		Per hundred workforce	0.0073	0.0078	0.0050
Lost-time injury rate ³⁷		Per million hours worked	1.76	2.35	2.07
Number of aviation accidents		Case	0	0	0

³³ Turnover rate by gender = Number of departures of male or female ÷ Number of male or female

³⁴ Turnover rate by age = Number of departures by age ÷ Number of workforce by age

³⁵ Turnover rate by region = Number of departures by region ÷ Number of workforce by region

³⁶ Death rate due to work-related injuries = Number of workforce deaths due to work-related injuries ÷ Total workforce × 100

³⁷ Lost-time injury rate = Number of lost man-hours accidents ÷ Number of hours actually worked × 1,000,000

Indicator -Society		Unit	2022	2023	2024
Training and development					
Total number of training sessions		Session	18,923	34,846	39,047
Training & development expenditure		RMB10,000	6,547	7,887	10,842
Number of trained workforce					
Total number of trained workforce		Person	728,201	724,277	711,311
By gender	Male	Person	613,328	612,206	605,503
	Female	Person	114,873	112,071	105,820
By job functions	Management (including primary-level managers)	Person	24,297	23,053	23,725
	Professional	Person	38,953	37,565	39,189
	Primary-level	Person	664,951	663,709	647,448
Percentage of trained workforce		%	98.0	97.0	96.2
By gender ³⁸	Male	%	84.2	84.5	85.1
	Female	%	15.8	15.5	14.9
By job functions ³⁹	Management (including primary-level managers)	%	3.3	3.2	3.3
	Professional	%	5.4	5.2	5.5
	Primary-level	%	91.3	91.6	91.0
Training hours					
Total training hours		Hour	4,351,473	5,644,982	6,768,687
Average training hours per trained workforce		Hour	6.0	7.8	9.2
By gender ⁴⁰	Male	Hour	5.9	7.8	9.2
	Female	Hour	6.1	7.9	9.0
By job functions ⁴¹	Management (including primary-level managers)	Hour	4.6	7.1	8.6
	Professional	Hour	4.9	7.8	10.5
	Primary-level	Hour	5.5	7.6	9.1

³⁸Percentage of trained workforce by gender = Number of trained male or female ÷ Total number of trained workforce

³⁹Percentage of trained workforce by job functions = Number of trained workforce by job functions ÷ Total number of trained workforce

⁴⁰Average training hours per trained workforce by gender = Total training hours of male or female ÷ Number of trained male or female

⁴¹Average training hours per trained workforce by job functions = Total training hours by job functions ÷ Number of trained workforce by job functions

Indicator -Society		Unit	2022	2023	2024	
Supply chain management						
Total number of suppliers ⁴²		Company	12,414	10,932	3,881	
By region	Mainland China	Company	11,728	10,271	3,872	
	Hong Kong, Macao and Taiwan	Company	169	51	1	
	Overseas	Company	517	519	8	
Total number of Tier-1 suppliers		Company	New indicators added in 2024			
Total number of significant suppliers in Tier-1		Company				610
Percentage of total spend on significant suppliers in Tier-1		%				442
Total number of significant suppliers in non Tier-1		Company				98.4
Total number of significant suppliers in non Tier-1		Company	980			
Product liability						
Number of products and service related valid complaints received ⁴³		Case	351	2,195	11,815	
Number of major safety and quality liability accidents related to products and services that occurred during the reporting period		Case	0	0	0	
The amount of damages involved in major safety and quality liability accidents related to products and services that occurred during the reporting period		RMB10,000	0	0	0	
Anti-corruption						
The number of legal proceedings brought and concluded against the Company or its workforce for corruption		Case	2	4	0	
Anti-corruption training						
Total hours of anti-corruption training		Hour	32,336	70,073	62,326	
Number of workforce involved in anti-corruption training		Person	67,893	121,701	59,891	
Number of directors involved in anti-corruption training		Person	7	7	7	
Percentage of directors participating in anti-corruption training		%	100.0	100.0	100.0	
Number of management involved in anti-corruption training		Person	New indicators added in 2024			
			3,714			

⁴²In 2024, the Company optimized the statistical criteria for the number of suppliers, counting only those suppliers with whom actual business transactions occurred during the reporting year. As a result, the total number of suppliers decreased compared to previous years.

⁴³Data source: Postal Industry Complaint Service Platform of the People's Republic of China State Post Bureau. Due to the system reconstruction of the Postal Industry Complaint Service Platform and adjustments to the complaint acceptance rules, the number of complaints in 2024 has increased compared to previous years.

Indicator -Society	Unit	2022	2023	2024
Community investment				
Donations to community activities	RMB10,000	11,885	10,590	7,177
Community activity expenses (excluding donations)	RMB10,000	94	101	80
Number of volunteer activity participations	Person-time	7,226	8,921	7,662
Total hours of volunteer activity	Hour	1,206,286	35,308	35,671
Innovation driven				
The amount of R&D investment	RMB10,000	352,814	336,329	309,371
Percentage of R&D investment to operating revenue	%	1.3	1.3	1.1
Number of R&D personnel	Person	5,652	4,637	4193
Number of valid patents during the reporting period	Patent	1,749	2,003	2,252
Number of invention patent applications during the reporting period	Patent	418	337	263
Number of granted invention patents during the reporting period	Patent	110	188	314
Number of invention patents applied to the principal business	Patent	682	730	783
Data security and privacy protection				
Number of data security incidents that occurred during the reporting period	Case	0	0	0
Specific amounts involved in data security incidents	RMB10,000	0	0	0
Number of customer privacy breaches that occurred during the reporting period	Case	0	0	0
The specific amount involved in the customer privacy breach incident	RMB10,000	0	0	0
Anti-monopoly and anti-unfair competition				
Number of lawsuits or major administrative penalties caused by the company's monopoly and unfair competition behavior during the reporting period	Case	0	0	0
The amount involved in lawsuits or major administrative penalties caused by the company's monopoly and unfair competition behavior during the reporting period	RMB10,000	0	0	0

Sustainability Report Content Index

Index to the HKEx’s ESG Reporting Code

ESG Metrics		Location/Note
Mandatory Disclosure Requirements		
Governance Structure		
(i)	a disclosure of the board’s oversight of ESG issues;	Sustainability Management
(ii)	the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and	
(iii)	how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	
Reporting Principles		
Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.	Sustainability Management About the Report
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	Key Performance Indicators About the Report
Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Key Performance Indicators About the Report
Reporting Boundary		
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		About the Report
“Comply or explain” Provisions		
Aspect A1: Emissions		
General Disclosure Information on:	Relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Practice Green Operation Policy List
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	
KPI A1.1	The types of emissions and respective emissions data.	Key Performance Indicators

ESG Metrics		Location/Note
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key 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).	Key Performance Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Practice Green Operation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Practice Green Operation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Practice Green Operation Policy List
	Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	
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).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Practice Green Operation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Practice Green Operation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Indicators
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Practice Green Operation Policy List
		Practice Green Operation Safeguarding Ecological Environments Creating Green Logistics
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect B1: Employment		
General Disclosure	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Protecting Employees' Rights and Interests Policy List
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicators

ESG Metrics		Location/Note
Aspect B2: Health and Safety		
General Disclosure	relating to providing a safe working environment and protecting employees from occupational hazards.	Stand Firm on the Frontline of Safety Policy List
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicators
KPI B2.2	Lost days due to work injury.	Key Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Stable and Safe Production
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Construction of Talent Team
	Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicators
Aspect B4: Labour Standards		
General Disclosure	relating to preventing child and forced labour.	Protecting Employees' Rights and Interests Policy List
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Building a Responsibility Value Chain
KPI B5.1	Number of suppliers by geographical region.	Key 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.	Building a Responsibility Value Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Building a Responsibility Value Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building a Responsibility Value Chain

ESG Metrics		Location/Note
Aspect B6: Product Responsibility		
General Disclosure	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Delivering Premium Services
	(a) the policies; and	Securing Safety Delivery
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Ensuring Information Security Policy List
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The company's scope of business as a logistics and transport service provider does not involve the health and safety implications of its products and services.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Delivering Premium Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Abiding by Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures.	The company's scope of business as a logistics and transport service provider does not involve quality checking processes or product recall procedures.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ensuring Information Security
Aspect B7: Anti-corruption		
General Disclosure	relating to bribery, extortion, fraud and money laundering.	
	(a) the policies; and	Abiding by Business Ethics
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Policy List
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.	Key Performance Indicators
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Abiding by Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Abiding by Business Ethics Key Performance Indicators

ESG Metrics		Location/Note
Aspect B8: Community Investment		
General Disclosure	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.	Sustaining Commitments to Social Wellbeing
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Sustaining Commitments to Social Wellbeing
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Sustaining Commitments to Social Wellbeing Key Performance Indicators
Part D: Climate-related Disclosures		
This section is effective for financial years beginning on or after January 1, 2025. During the reporting period, the Company disclosed its emissions in accordance with paragraph 17(1) of Part D: "An issuer must disclose its Scope 1 greenhouse gas emissions and Scope 2 greenhouse gas emissions pursuant to paragraphs 28(a), 28(b) and 29 on a mandatory basis."		
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	(a) Scope 1 greenhouse gas emissions;	Key Performance Indicators
	(b) Scope 2 greenhouse gas emissions;	
29. An issuer shall:	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Key Performance Indicators
	(b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	

Index to the Shenzhen Stock Exchange’s Self-Regulatory Guidance No. 17 for Listed Companies — Sustainability Report (Trial)

Disclosure Requirement	Location
Addressing Climate Change	Addressing Climate Change
Pollutant Emissions	Practice Green Operation
Waste Management	Practice Green Operation
Ecosystem and Biodiversity Conservation	Safeguarding Ecological Environments
Environmental Compliance Management	Practice Green Operation
Energy Utilization	Practice Green Operation
Water Resource	Practice Green Operation
Circular Economy	Promoting Circular Economy Creating Green Logistics
Rural Revitalization	Sustaining Commitments to Social Wellbeing
Social Contributions	Sustaining Commitments to Social Wellbeing
Technology Innovation	Pioneering Intelligent Logistics Innovation
Ethics of Science and Technology	Pioneering Intelligent Logistics Innovation
Supply Chain Security and Resilience	Building a Responsibility Value Chain
Equal Treatment of Small and Medium-sized Enterprises (SMEs)	Building a Responsibility Value Chain
Product and Service Safety and Quality	Delivering Premium Services Securing Safety Delivery
Data Security and Customer Privacy Protection	Ensuring Information Security

Disclosure Requirement	Location
Employees	Construction of Talent Team
	Protecting Employees’ Rights and Interests
Due Diligence	In compliance with relevant statutory provisions, the company is not categorized as a production and operation entity in the high-risk industries or fields as defined by the state, and thus is not subject to the mandatory requirement of subscribing to Safety Production Liability Insurance. The company has procured Employer’s Liability Insurance and Property Public Liability Insurance to augment the safeguarding of its employees and third parties.
	In 2024, the Company did not experience any significant ESG-related negative events. Currently, the Company has not established a comprehensive due diligence process. Moving forward, the Company will gradually develop an ESG due diligence mechanism, drawing on industry best practices and international sustainability disclosure standards, while integrating its own business characteristics.
Stakeholder Communication	Sustainability Management
Anti-Bribery and Anti-corruption	Abiding by Business Ethics
Anti-unfair Competition	Abiding by Business Ethics
Green Packaging	Developing Sustainable Packaging
Diversity and Inclusion	Protecting Employees’ Rights and Interests
Safety Delivery and Transportation	Stand Firm on the Frontline of Safety, Stable and Safe Production
Building a Green and Intelligent Industrial Chain	Creating Green Logistics
Corporate Governance	Standardize Corporate Governance

GRI Standard Content Index

Statement of use	SF referred to the GRI standards for preparation of the Report covering the period from January 1, 2024, to December 31, 2024.	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
GRI 2: General Disclosures 2021		
2-1	Organizational details	About SF About the Report
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	About the Report
2-4	Restatements of information	About the Report
2-5	External assurance	Assurance Statement
2-6	Activities, value chain and other business relationships	About SF Building a Responsibility Value Chain Services: Empowering New-Quality Productivity Through Digital Intelligence
2-7	Employees	Construction of Talent Team Protecting Employees' Rights and Interests Key Performance
2-8	Workers who are not employees	Construction of Talent Team Protecting Employees' Rights and Interests Key Performance
2-9	Governance structure and composition	Standardize Corporate Governance
2-10	Nomination and selection of the highest governance body	Standardize Corporate Governance
2-11	Chair of the highest governance body	Standardize Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Standardize Corporate Governance
2-13	Delegation of responsibility for managing impacts	Sustainability Management
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management
2-15	Conflicts of interest	Abiding by Business Ethics Building a Responsibility Value Chain
2-16	Communication of critical concerns	Sustainability Management
2-17	Collective knowledge of the highest governance body	Sustainability Management

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
2-18	Evaluation of the performance of the highest governance body	Sustainability Management
2-19	Remuneration policies	Sustainability Management
2-20	Process to determine remuneration	Sustainability Management
2-21	Annual total compensation ratio	Confidentiality Limits
2-22	Statement on sustainable development strategy	Sustainability Management
2-23	Policy commitments	Sustainability Management
2-24	Embedding policy commitments	Sustainability Management
2-25	Processes to remediate negative impacts	In 2024, the Company did not experience any significant ESG-related negative events. Currently, the Company has not established a comprehensive due diligence process. Moving forward, the Company will gradually develop an ESG due diligence mechanism, drawing on industry best practices and international sustainability disclosure standards, while integrating its own business characteristics.
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Management
2-27	Compliance with laws and regulations	Policy List
2-28	Membership associations	Driving Industry Synergy and Shared Progress
2-29	Approach to stakeholder engagement	Sustainability Management
2-30	Collective bargaining agreements	Smooth Employee Voice
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Management
3-2	List of material topics	Sustainability Management
3-3	Management of material topics	Sustainability Management
GRI 101: Biodiversity 2024		
101-1	Policies to halt and reverse biodiversity loss	Not Applicable
101-2	Management of biodiversity impacts	Safeguarding Ecological Environments
101-3	Access and benefit-sharing	Not Applicable
101-4	Identification of biodiversity impacts	Safeguarding Ecological Environments
101-5	Locations with biodiversity impacts	Safeguarding Ecological Environments
101-6	Direct drivers of biodiversity loss	Not Applicable
101-7	Changes to the state of biodiversity	Safeguarding Ecological Environments
101-8	Ecosystem services	Safeguarding Ecological Environments

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Please refer to the Company's annual report
201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Protecting Employees' Rights and Interests
201-4	Financial assistance received from government	Please refer to the Company's annual report
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Confidentiality Limits
202-2	Proportion of senior management hired from the local community	Confidentiality Limits
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Sustaining Commitments to Social Wellbeing
203-2	Significant indirect economic impacts	Sustaining Commitments to Social Wellbeing
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Confidentiality Limits
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Abiding by Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Abiding by Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Abiding by Business Ethics
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Abiding by Business Ethics
GRI 207: Tax 2019		
207-1	Approach to tax	Please refer to the Company's annual report
207-2	Tax governance, control, and risk management	Please refer to the Company's annual report
207-3	Stakeholder engagement and management of concerns related to tax	Please refer to the Company's annual report
207-4	Country-by-country reporting	Not Applicable
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Developing Sustainable Packaging Key Performance Indicators

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
301-2	Recycled input materials used	Developing Sustainable Packaging
301-3	Reclaimed products and their packaging materials	Developing Sustainable Packaging
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Key Performance Indicators
302-2	Energy consumption outside of the organization	Key Performance Indicators
302-3	Energy intensity	Key Performance Indicators
302-4	Reduction of energy consumption	Creating Green Logistics Building Green Industrial Park Practice Green Operation
302-5	Reductions in energy requirements of products and services	Creating Green Logistics Building Green Industrial Park
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Building Green Industrial Park Practice Green Operation
303-2	Management of water discharge-related impacts	Building Green Industrial Park Practice Green Operation
303-3	Water withdrawal	Practice Green Operation Key Performance Indicators
303-4	Water discharge	Practice Green Operation
303-5	Water consumption	Practice Green Operation Key Performance Indicators
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Key Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Indicators
305-3	Other indirect (Scope 3) GHG emissions	Key Performance Indicators
305-4	GHG emissions intensity	Key Performance Indicators Creating Green Logistics
305-5	Reduction of GHG emissions	Creating Green Logistics Developing Sustainable Packaging

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Performance Indicators
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Practice Green Operation
306-2	Management of significant waste-related impacts	Practice Green Operation
306-3	Waste generated	Key Performance Indicators
306-4	Waste diverted from disposal	Practice Green Operation
306-5	Waste directed to disposal	Practice Green Operation
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Building a Responsibility Value Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Building a Responsibility Value Chain
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Key Performance Indicators
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protecting Employees' Rights and Interests
401-3	Parental leave	Protecting Employees' Rights and Interests
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Protecting Employees' Rights and Interests
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Stand Firm on the Frontline of Safety
403-2	Hazard identification, risk assessment, and incident investigation	Stable and Safe Production
403-3	Occupational health services	Stable and Safe Production
403-4	Worker participation, consultation, and communication on occupational health and safety	Stand Firm on the Frontline of Safety Stable and Safe Production
403-5	Worker training on occupational health and safety	Stable and Safe Production
403-6	Promotion of worker health	Protecting Employees' Rights and Interests Stable and Safe Production
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Stable and Safe Production
403-8	Workers covered by an occupational health and safety management system	Stand Firm on the Frontline of Safety
403-9	Work-related injuries	Key Performance
403-10	Work-related ill health	Key Performance
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Key Performance

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
404-2	Programs for upgrading employee skills and transition assistance programs	Construction of Talent Team
404-3	Percentage of employees receiving regular performance and career development reviews	Construction of Talent Team
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Protecting Employees' Rights and Interests
405-2	Ratio of basic salary and remuneration of women to men	Protecting Employees' Rights and Interests
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Protecting Employees' Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protecting Employees' Rights and Interests
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Protecting Employees' Rights and Interests
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Employees' Rights and Interests
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Not Applicable
413-2	Operations with significant actual and potential negative impacts on local communities	Not Applicable
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Building a Responsibility Value Chain
414-2	Negative social impacts in the supply chain and actions taken	Building a Responsibility Value Chain
GRI 415: Public Policy 2016		
415-1	Political contributions	Not Applicable
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Stable and Safe Production
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Stable and Safe Production
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Delivering Premium Services Securing Safety Delivery
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no violations involving product and service information and labelling in 2024 in SF.

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
417-3	Incidents of non-compliance concerning marketing communications	There were no breaches involving marketing communications in 2024 for SF.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ensuring Information Security
Addressing Climate Change		
3-3	Management of material topics	Addressing Climate Change
Circular Economy		
3-3	Management of material topics	Promoting Circular Economy
Green Packaging		
3-3	Management of material topics	Promoting Circular Economy Developing Sustainable Packaging
Environmental Compliance Management		
3-3	Management of material topics	Practice Green Operation
Rural Revitalization		
3-3	Management of material topics	Sustaining Commitments to Social Wellbeing
Social Contribution		
3-3	Management of material topics	Sustaining Commitments to Social Wellbeing
Innovation-Driven Development		
3-3	Management of material topics	Pioneering Intelligent Logistics Innovation
Ethics in Science and Technology		
3-3	Management of material topics	Pioneering Intelligent Logistics Innovation
Supply Chain Security and Resilience		
3-3	Management of material topics	Building a Responsibility Value Chain
Equal Treatment of Small and Medium-sized Enterprises (SMEs)		
3-3	Management of material topics	Building a Responsibility Value Chain
Safety Delivery and Transportation		
3-3	Management of material topics	Stand Firm on the Frontline of Safety Stable and Safe Production
Building a Green and Intelligent Industrial Chain		
3-3	Management of material topics	Creating Green Logistics

Sustainability Accounting Standards Board Index (SASB Content Index)

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Category	Code	Location
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	TR-AF-110a.1	Key Performance Indicators
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	TR-AF-110a.2	Addressing Climate Change
	Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable	Quantitative	TR-AF-110a.3	Creating Green Logistics Key Performance Indicators
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, and (3) particulate matter (PM10)	Quantitative	TR-AF-120a.1	Key Performance Indicators
Labour Practices	Percentage of drivers classified as independent contractors	Quantitative	TR-AF-310a.1	Not Applicable
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Quantitative	TR-AF-310a.2	Not Applicable
Employee Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	TR-AF-320a.1	Key Performance Indicators
Supply Chain Management	Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	Quantitative	TR-AF-430a.1	Not Applicable
	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	TR-AF-430a.2	Not Applicable
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	Discussion and Analysis	TR-AF-540a.1	Stand Firm on the Frontline of Safety
	Number of aviation accidents	Quantitative	TR-AF-540a.2	Key Performance Indicators
	Number of road accidents and incidents	Quantitative	TR-AF-540a.3	Not Applicable
	Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance	Quantitative	TR-AF-540a.4	Not Applicable

Table. Activity Metrics

Activity Metric	Category	Code	Location
Revenue ton kilometres (RTK) for: (1) road transport and (2) air transport2	Quantitative	TR-AF-000.A	Not Applicable
Load factor for: (1) road transport and (2) air transport	Quantitative	TR-AF-000.B	Not Applicable
Number of employees, number of truck drivers	Quantitative	TR-AF-001.C	Key Performance Indicators

WE DELIVER AS PROMISED

S.F. Holding Co., Ltd.

Post code: 518057 Customer service hotline: 95338

Website: <http://www.sf-express.com>

Address: TK Chuangzhi Tiandi Building, Keji South 1st Road,
Nanshan District, Shenzhen, Guangdong Province, the PRC