HOLDING
順豐控股



SF Holding
2025
Sustainability Report

CONTENTS

About SF

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

01 Sustainability Governance

Board Statement 8
ESG Governance 9
ESG Policy Statement 9
Stakeholder Engagement 10
Materiality Assessment 11

02 Governance

Operating with Integrity to Ensure Steady and Long-term Success

Standardizing Corporate Governance 15
Strengthening Risk Management 17
Upholding Business Ethics 20
Ensuring Information Security 26

03 Environmental

Embarking on a Green Journey to Build a Low-Carbon Logistics Ecosystem

Leading the Low-Carbon Transition 30
Developing Green Logistics 33
Advancing Circular Economy 47
Practicing Green Operations 48
Protecting the Ecological Environment 54
Addressing Climate Change 56

04 Social

Advancing with Responsibility to Co-create a Brighter Future

Construction of Talented Team 66
Protecting Employee Rights and Interests 80
Guarding the Safety Line 89
Building a Responsible Supply Chain 97
Contributing to Social Well-being 102

05 Services

Leading with Digital Intelligence to Connect the Globe and Empower Overseas Expansion

Pioneering Intelligent Logistics 111
Empowering Global Expansion 121
Providing Premium Services 122
Safeguarding Delivery Security 128

Appendix

About This Report 130
Assurance Statement 132
Policy List 133
Key Performance Indicators 137
Sustainability Report Content Index 142



About SF

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

Founded in 1993, SF has evolved into Asia’s largest and the world’s fourth-largest integrated logistics service provider through its 33-year development, ranking 393rd on the Fortune Global 500 list. SF serves over 2.35 million corporate clients and more than 800 million individual consumers, offers logistics services spanning time-definite express services, economy express services, freight services, cold chain and pharmaceutical logistics services, intra-city on-demand delivery services, as well as supply chain and international services (including international express services, international cargo and freight forwarding services, and supply chain services). Leveraging its industry-leading technology, SF empowers customers in building global, end-to-end one-stop secure and efficient smart supply chain systems, with the vision of becoming the well-respected and the world’s leading digital intelligence logistics solution provider.

SF boasts an extensive global logistics service network, with domestic operations covering all cities in China. SF’s international express services, international cargo and freight forwarding services, and supply chain services extend to 95 countries and regions globally, while its international small parcel delivery services establish the footprint in 200 countries and regions. SF is the premium brand in the logistics industry both in China and globally, having been listed for nine consecutive years among “China’s Most Admired Companies” by Fortune China, and ranks first in Express Delivery Service Public Satisfaction in China for 16 consecutive years. The Company’s time-definite express services maintain a commanding market share in China. In China, SF ranks first in five segments: express delivery, freight, cold chain, intra-city on-demand delivery[2], and supply chain services[3]. In Asia, SF ranks first in four segments: express delivery, freight, intra-city on-demand delivery[2], and international services[4].

Looking ahead, as a global logistics leader connecting Asia with the rest of the world, SF will continue to leverage its well-recognized premium brand, extensive global network coverage and comprehensive logistics service capabilities to accelerate global expansion, drive sustainable and healthy business growth, and position itself as the go-to logistics partner for business customers and retail customers – fostering growth together with customers and creating shared value.

On the Fortune Global 500 list ranking **393rd**

SF serves over **2.35** million corporate clients

More than **800** million individual consumers

Largest in Asia

Integrated logistics service provider[1]

4th Largest Globally

Integrated logistics service provider[1]

No. 1 in Asia

Express, Freight, Intra-city On-demand Delivery[2], International Business[4]

No. 1 in China

Express, Freight, Cold Chain, Intra-city On-demand Delivery[2], Supply Chain[3]

No. 1

Customer satisfaction for express services in China

16 years in a row

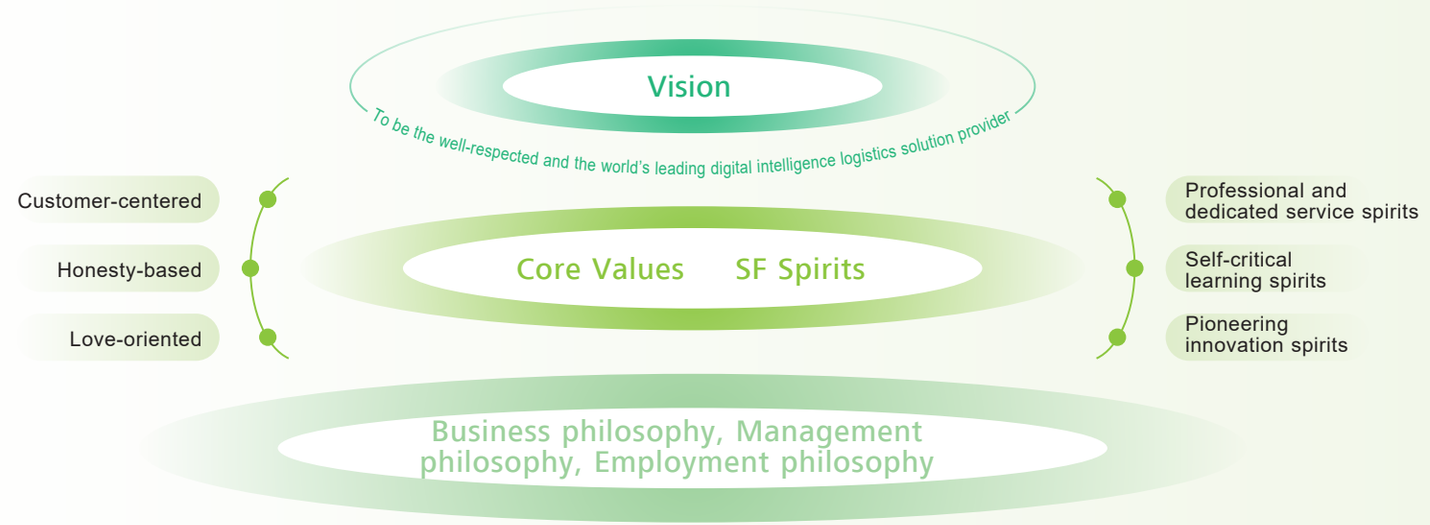


1 According to Frost & Sullivan Report, in terms of revenue in 2024
2 Among third-party intra-city on-demand delivery service providers
3 Among non-state-owned independent third-party supply chain solution providers
4 Among the integrated logistics service providers in Asia

SF Culture

SF Culture is the spirit wealth and physical form with SF's characteristics formed in production Business and management activities. Its cores include vision, core values, SF spirits, three major philosophies (Business , management, employment), and so on. SF Culture is not only the fundamental presentation of SF's individualization, but also SF's spirits of existence, competence and development.





SF Cultural Framework Model

Vision

To be the well-respected and the world's leading digital intelligence logistics solution provider.

Core Values

Customer-centered

Customer's demand is the "source of innovation" of our company, we make every effort to provide products and services that surpass customer's expectation.

Honesty-based

The honesty-based principle is the "source of long-term success" of our company, and also our moral norm and operation strategy.

Love-oriented

The love-oriented principle is the "source of value creation" of our company, we insist on enhancing employee's experience.

SF Spirits

Professional and dedicated service spirits

Pursue professionalism and maintain concentration, persist in providing caring and cost-effective services to customers.

Self-critical learning spirits

To solve the problems, look into our own reasons first, do not pass the buck, be brave to face difficulties, always be introspective and corrective to make progress.

Pioneering innovation spirits

Be open to embrace change, be bold to innovate and make breakthroughs, and do not adhere to old patterns.

Awards for Sustainable Development

2025 Fortune **Global 500** (4 consecutive years)
2025 **China's Most Admired Companies** (9 consecutive years)
2025 **China ESG Impact List** (4 consecutive years)
Fortune

World's Top 500 Most Valuable Brands in 2025 (6 consecutive years)
World's Most Valuable Logistics Brands in 2025 (7 consecutive years)
Brand Finance

No. 1 in Express Delivery Service Public Satisfaction in the first three quarters[5] of 2025
No. 1 in Express Delivery Service Public Satisfaction in 2024 (16 consecutive years)
State Post Bureau

Best Practices for Sustainability of Listed Companies in 2025 (4 consecutive years)
Best Practices for Board of Directors of Listed Companies in 2025 (3 consecutive years)
China Association for Public Companies

A Rating in Information Disclosure Assessment for Listed Companies (9 consecutive years)
Shenzhen Stock Exchange

Asia's Most Honored Company in 2025
Ranking 1st in Six Overall Transportation Awards (including Best ESG Program)
Extel (formerly Institutional Investor Research)

2025 **China ESG 50** (2 consecutive years)
2025 **ESG Inspiration Cases**
Forbes China

2025 **China Corporate ESG Top 100**
2025 China ESG "Golden Responsibility Award" – **Best Corporate Governance (G) Responsibility Award**
Sina Finance

2025 **"Golden Dawn ESG Practice Award"**
Securities Market Weekly

Gelonghui Golden Award · **ESG Outstanding Enterprise in Environmental Friendliness**
Gelonghui

2025 **Hong Kong Stocks ESG Top 100**
Hong Kong Commercial Daily

2025 **Wind China Listed Companies ESG Best Practice Top 100** (Large-Cap)
Wind

2025 **China Corporate ESG Leaders**
SynTao Green Finance

The 9th China IR Annual Awards – **Excellence ESG Award, Excellence Investor Relations Program**
Roadshow China & IR

2024 ESG Report Awards: **Platinum Award (Highest Honor) for Transportation & Logistics Industry, Top 50 Chinese Reports, Top 100 Reports (Asia-Pacific Region), Technical Achievement Award**
League of American Communications Professionals (LACP)

[5] As of the date of this report, the results of the 2025 Public Satisfaction Survey on Express Delivery Services have not yet been released.

ESG Rating Performance

International ESG Ratings

MSCI ESG Rating upgraded to **AA** in 2026

Rated as "**Low Risk**" by Sustainalytics (2022-2025)

Scored **56** in the 2025 S&P Global Corporate Sustainability Assessment (CSA)

Maintained a **B** rating on CDP Climate Change (2022-2025)

Achieved an **A** rating on the CDP Supplier Engagement Assessment (SEA) in 2025



Included in the **FTSE4Good Index Series** for five consecutive years (2021-2025)

Domestic ESG Ratings

CNI ESG Ratings

AAA

Wind ESG Ratings

AAA

CSI ESG Assessment

AA

CCX ESG Ratings

AA-

China HuaZheng ESG Ratings

A

SynTao Green Financial ESG Rating

A

• Note: The above ratings/scores are valid as of March 30, 2026.

Annual Progress on UN Sustainable Development Goals (UNSDGs)



- The SF Lotus Education Aid Program has reached 68 counties, county-level cities and districts across 18 provinces, autonomous regions and municipalities nationwide, benefiting **45,862** students in need and awarding scholarships and grants totaling **RMB290 million**.



- The SF Warmth and Care Program has cumulatively invested **RMB518 million**, providing assistance to more than **26,000** seriously ill children and orphans in need, and provided humanistic care services to nearly **50,000** person-times of children, their family members, and medical staff.
- **Emergency support** was promptly provided in response to incidents such as the Tai Po fire in Hong Kong, flooding in Yuzhong, Gansu, and rainstorm disasters in multiple regions across China, with **essential living supplies and relief materials swiftly transported to affected areas by leveraging the Company's logistics capacity**.
- Cervical and breast cancer screenings were provided for over **7,700** female employees.
- Employee welfare and care initiatives were implemented across three key areas: **ensuring basic benefits, strengthening caring support, and promoting long-term development**.



- The SF Liangshan Charity Class Program provided support to **122** students in need during the year, with **114** students graduating from the program. Cumulatively, the program has benefited **1,410** children lacking parental care and disadvantaged female secondary school students in Liangshan.



- The Board of Directors comprises **one** female director, representing **16.7%** of the board.
- The proportion of women in senior management was **29.0%**.



- Cumulatively deployed over **48,000** New Energy Vehicle, covering **307** cities.
- Completed the construction of rooftop photovoltaic power stations at **26** industrial parks, with a total installed capacity of **111 MW** and annual renewable power generation exceeding **100,000 MWh**.
- Continued to optimize the energy consumption structure, with annual renewable electricity consumption exceeding **106,000 MWh**.



- Adheres to international human rights and labor standards and implements the ***Ten Principles of the United Nations Global Compact (UNGC)***, integrating human rights protection throughout all business operations.
- Formulated the ***Statement on Employee Rights Protection***, implementing the requirements of relevant 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 service network for promoting the upward mobility of agricultural products covered more than **2,800** county-level cities nationwide and served more than **5,500** fresh produce varieties.
- More than **8 million** tons of specialty agricultural products were transported throughout the year, promoting the transformation and upgrading of local agriculture and increasing farmers' incomes.



- Investment in technology R&D amounted to **RMB2.96 billion**.
- A total of **4,315** patents were in force or pending, of which invention patents accounted for **66.1%**.
- SF was the only Chinese company to receive the **Franz Edelman Award**, known as the "Nobel Prize of Industrial Engineering.



- Respects cultural differences across regions, continuously promotes Diversity, Equity, and Inclusion (DEI) culture, and fosters a workplace environment that respects differences and ensures fair development through systematic human rights awareness initiatives and cross-cultural integration practices.
- Women accounted for **15.9%** of the workforce, ethnic minority employees accounted for **6.3%**, and SF provided employment opportunities for more than **1,500** persons with disabilities.



- Around **178 million** "Double-Easy" plastic bags were deployed in Beijing, northern Zhejiang and other regions, cutting carbon emissions by about **1,786** tons and supporting the circular economy at scale.
- ESG requirements on safety and occupational health, labour and human rights, and environmental protection were **included in supplier contracts**, with regular reviews of supplier performance.
- Released the ***Supplier Sustainable Research Questionnaire*** to promote environmental and social responsibility in the supply chain.
- Written and on-site assessments were conducted for **1,452** key suppliers, with **100%** coverage and a **96%** pass rate.
- Supplier capacity-building project achieved **100%** coverage of key suppliers.



- Packaging reduction measures saved about **46,000** tons of raw paper and **35,000** tons of plastic, cutting carbon emissions by about **130,000** tons.
- A cumulative **20.55 million** reusable packaging containers were put into use, with more than **1.6 billion** reuse cycles, cutting carbon emissions by about **520,000** tons.
- Gives priority to purchasing energy-saving, water-saving, and material-saving **environmentally friendly products and services** to reduce resource consumption and environmental pollution, thereby promoting the implementation of green procurement.



- In April 2025, SF **officially secured SBTi validation for its near-term, long-term, and net-zero targets**, earning international authoritative recognition for its climate commitments.
- Published the *SF Group Climate Action White Paper*, committing to reach **net-zero greenhouse gas emissions across the value chain** by 2050.
- Through measures such as low-carbon transport, green industrial parks, green packaging and green technology applications, SF reduced annual greenhouse gas emissions by **3,146,348 tCO_2e**.



- Planted over **10,000 mu** (approx. 667 hectares) of carbon-neutral forests in Hebei and Sichuan provinces, with cumulative tree planting exceeding **1 million** trees.
- **Launched biodiversity conservation projects in Sichuan Province and the Xizang Autonomous Region**, continuously exploring new pathways and mechanisms for biodiversity conservation.



- The Board of Directors includes **3** independent non-executive directors with diverse industry backgrounds, representing **50%** of the Board.
- Over the past three years, the audit coverage rate for internal operational sites (including business ethics audits) was **100%**.
- A total of **3,770** suppliers participated in anti-corruption training, achieving **100%** coverage.



- SF Airlines **officially joined the Sustainable Aviation Fuel (SAF) Committee**, marking a significant step in deepening green collaboration within the industry and promoting the development of China's SAF industry.

01

Sustainability Governance

Adhering to the philosophy of integrating corporate value with social value, SF continually promotes sustainable industry development and actively explores practical pathways for corporate sustainability. The Company consistently improves its sustainability management system, deeply integrating ESG principles into the entire value chain to effectively enhance operational capabilities and business resilience, thereby achieving long-term value creation and high-quality development.

- Board Statement
- ESG Governance
- ESG Policy Statement
- Stakeholder Engagement
- Materiality Assessment



Board Statement

The Board of Directors and all directors solemnly declare that the contents of this report are true, accurate, and complete, with no false records, misleading statements, or material omissions. The Board further makes the following statement regarding its ESG oversight and management:

ESG Management Policy and Strategy

The Board of Directors closely monitors major global ESG trends and shifts in domestic and international macroeconomic conditions. Aligning with the Company's current strategic development plans, it actively engages with stakeholders to accurately identify ESG-related risks and opportunities. When necessary, it updates ESG management policies and strategies to ensure SF's ESG principles remain current and relevant.

ESG Risk Management

The Board of Directors places high importance on managing ESG-related risks, actively engages in stakeholder communication, assesses, analyzes, and prioritizes the significance of ESG issues, identifies associated risks and opportunities, and updates management policies and strategies as necessary. SF has integrated ESG-related risks, including climate change, into its corporate risk assessment system, conducts regular risk identification and evaluation, and develops corresponding risk response measures. For further details on risk management and internal controls, please refer to the "Governance - Strengthening Risk Management" section of this report. For details on climate change risk management, please refer to the "Environment - Addressing Climate Change" section.

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, policy directions, and key priorities in core sustainability areas, supervises and guides the implementation of ESG initiatives, and ensures ESG governance is integrated into the Company's strategic development. Compensation for members of the Sustainability Leadership Group under the Board's Strategy Committee is linked to ESG performance. The Board will continue to optimize the Company's ESG governance, regularly review progress toward objectives, actively address stakeholder concerns, and continuously enhance ESG governance standards.



ESG Governance

SF integrates ESG principles into its corporate development strategy, establishing a scientific and standardized ESG management system alongside a clear and transparent ESG governance framework. The Company fully implements ESG-related strategies to support the sustainable development of its business operations.

Board of Directors

- **Audit Committee**
- **Remuneration and Appraisal Committee**
- **Nomination Committee**
- **Strategy Committee** Oversight responsibilities for sustainable development
- **Risk Management Committee**

Decision-Making Supervision

Strategy Committee of the Board of Directors: Determine the strategic objectives, strategies and focuses relevant to sustainability, supervise and guide the implementation of ESG work, and ensure that ESG governance is integrated into the Company's strategic development.

Supervision & Guidance ↓ ↑ Periodic Reporting

Sustainability Leadership Group: Supervised by the Chief Executive Officer (CEO) and composed of the Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Marketing Officer (CMO), Chief Technology Officer (CTO) and Chief Human Resources Officer (CHO), the Group is responsible for setting sustainability goals in line with the Company's sustainability strategies and development situations, and reviewing the progress regularly.

Overall Planning ↓ ↑ Daily Reporting

Daily Management

Sustainable Development Working Group: Composed of representatives of the Office of the Board of Directors, various functional departments, BGs (Business Group), and BUs (Business Unit) related to sustainable development, the Group is responsible for the overall implementation and promotion of ESG-related work, accelerating the implementation of the Group's goals in each business unit and functional system, and gradually promoting the normalization of sustainable development governance

Coordination in implementation & promotion ↓ ↑ Daily Reporting

Implementation

Business and Functional Departments: Implement ESG-related specific work in accordance with the established management indicators and mechanisms, and regularly report to the Sustainable Development Working Group.

ESG Policy Statement

SF has progressively refined its ESG policy framework and has formulated and released numerous sustainability policies.

Category	Policy
Governance	*SF Code of Business Conduct*
	Statement on Anti-Corruption
	Statement of Conflict of Interest
	Board Diversity Policy
Society	*Statement on Employees Rights Protection*
	SF Supplier Code of Conduct
Environment	*SF Environmental Management 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	Regulatory Agencies	Customers	Employees	Shareholders and Investors	Directors, Supervisors, and Senior Executives	Suppliers	Community	Industry Associations	Media/the Public
Main Concerns	• Compliance Operations • Tax Compliance • Integrity Building	• Safe Delivery • Protection of Consumer Rights • Customer Privacy Protection • Responsible Marketing	• Rights Protection • Development and Training • Employee Care • Occupational Health and Safety	• Return on Investment • Corporate Governance • ESG Management	• Corporate Governance • Compliance Risk • Sustainable Operations	• Sustainable Procurement • Integrity and Honesty • Industry Cooperation	• Public Charity • Community Development • Rural Revitalization	• Strengthen Communication and Cooperation • Industry Standard Development	• Information Disclosure • Interact with the Media
Main Channels for Communication	• Information Disclosure • Policy Implementation • Institutional Inspections	• Customer Research • Customer Hotline • Customer Satisfaction Survey	• Communication Channels • Satisfaction Survey • Employee Meeting • Employee Activities	• General Meeting of Shareholders • Announcements and Circulars • Investor Roadshows	• Regular Board Meetings	• Supplier Conferences • Supplier Trainings • Industry Communication	• Provision of Employment • Industrial Assistance • Volunteer Service • Public Welfare Activities	• Convening Summit Activities • Organize Technological Communication	• Information Disclosure • Establish a Communication Mechanism
Response Measures	• Operate legally and compliantly • Prevent major safety accidents • Enhance local employment rates • Actively advance industrial poverty alleviation	• Deliver efficient, reliable, and rapid logistics services • Enhance the customer claims process • Build a safety ecosystem	• Legally protect employee rights • Actively conduct training • Refine the mechanisms for talent promotion and compensation • Strengthen occupational health and safety management • Implement diverse employee benefits	• Establish and refine a robust decision-making and oversight mechanism • Enhance risk management and control • Ensure effective information disclosure • Organize activities for different shareholder types	• Regular reporting • Compliant operations • Strengthened risk control	• Conduct transparent procurement practices • Eliminate commercial bribery	• Engage through official platforms such as websites • Conduct regular visits	• Participate in industry exchange activities • Lead industry standards setting	• Actively communicate through official platforms such as websites • Provide external communication materials

Materiality Assessment

Materiality issue management is the foundation and core for identifying and assessing ESG risks, impacts, and opportunities, scientifically formulating ESG strategic planning, and advancing sustainability work. 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 2025, SF continues to implement the double materiality assessment, 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, combining impact materiality and financial materiality evaluations to comprehensively analyze the significance of ESG issues for the Company. The identified material issues are responded to within this report.

Double Materiality Assessment Process

Step 1: Background Analysis and Issue Identification

The Company strictly adhered to the provisions of the *Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)* 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. The Company continues to adopt the 26 ESG issues identified in 2024, providing clear guidance and direction for advancing its sustainable development initiatives.

Topic	2025 ESG Issues		
Environment (9 Issues)	• Addressing Climate Change • Pollutant Emissions Management • Waste Management	• Ecosystem and Biodiversity Conservation • Environmental Compliance Management • Energy Utilization	• Water Resource Management • Circular Economy • Green Packaging
Social (12 Issues)	• Rural Revitalization • Social Contribution • Innovation-Driven • Ethics in Science and Technology	• Supply Chain Security and Resilience • Equal Treatment of Small and Medium-sized Enterprises (SMEs) • Product and Service Safety and Quality Assurance • Data Security and Customer Privacy Protection	• Employee • Diversity and Inclusion • Safe Delivery and Transportation • Building a Green and Intelligent Industrial Chain
Governance (5 Issues)	• Due Diligence • Stakeholder Engagement	• Anti-Commercial Bribery and Anti-Corruption • Anti-Unfair Competition	• Corporate Governance

Step 2

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

Step 2-1: Impact Materiality Assessment

The Company 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 materiality scores for each ESG issue were determined through a comprehensive analysis of the quantitative assessment results and interview findings.

Dimension 1: Impact Assessment

The Company 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

The 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 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

Analyzed the likelihood and magnitude of impact on profit in the short, medium, and long term from the perspective of meeting operational needs.

Dimension 2: Dependence of Relationships

Analyzed the likelihood and magnitude of the impact on corporate profits across the reporting period, short, medium, and long term, arising from the management of ESG issues, specifically from the perspective of maintaining sound external stakeholder relationships and supporting the Company's long-term development.

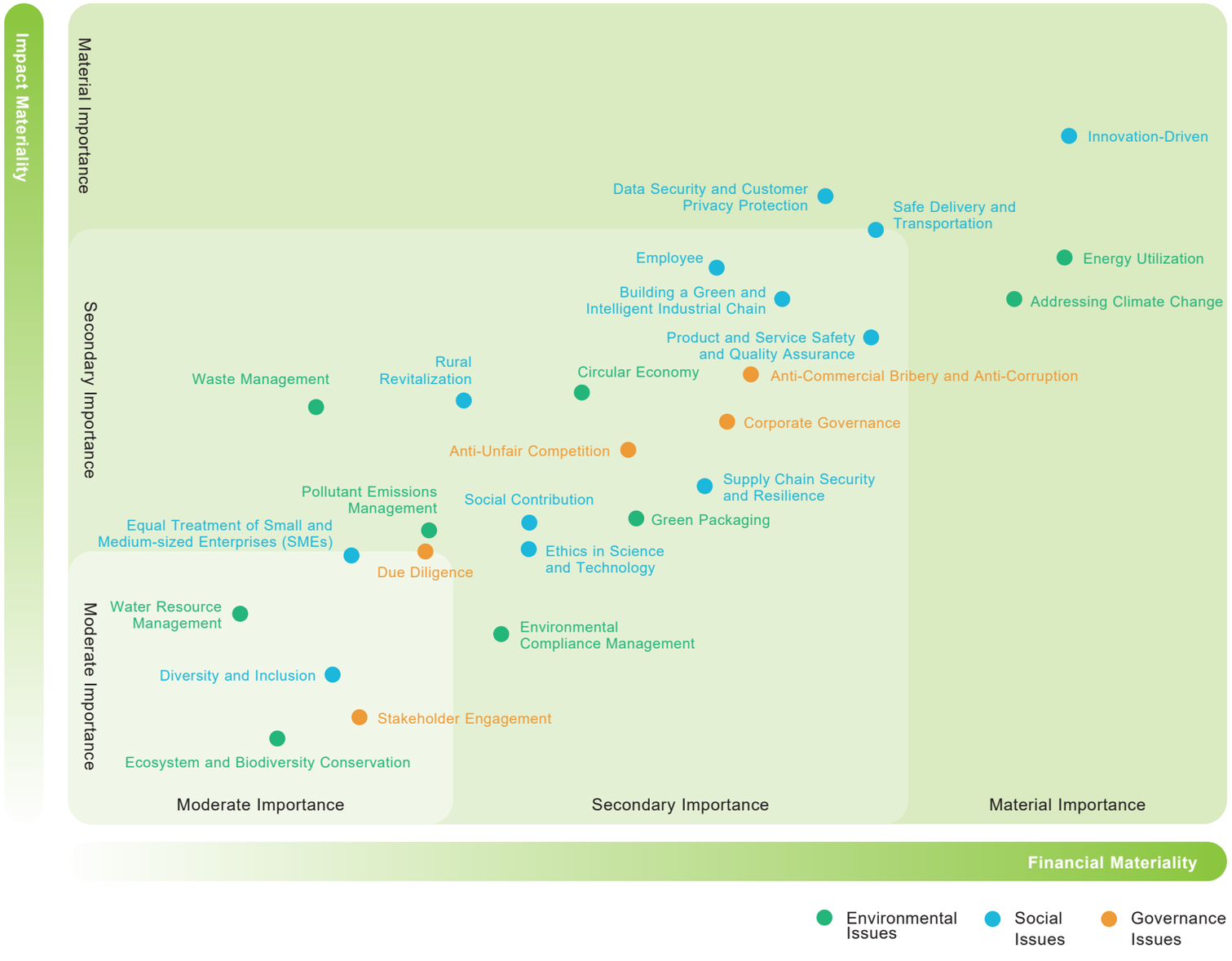
Step 3: Prioritization of Material ESG Issues

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 2025 and developed a materiality matrix. When evaluating the “Innovation-Driven” issue, the Company considered that digital and intelligent logistics is integral to its vision, as it enhances network operational efficiency, improves logistics service quality, and deepens supply chain service capabilities, thereby fostering the Company’s long-term, healthy operation. In assessing the “Energy Utilization” issue, the Company took into account the ongoing accelerated transformation of the energy structure and the significant dependency of its ongoing operations on energy resources. Both energy utilization and the energy transition are expected to exert a profound influence on the Company’s long-term strategy, operational performance, and cost control. Regarding the “Addressing Climate Change” issue, the adoption of green and low-carbon logistics models presents substantive development opportunities for the Company. Accelerating its transformation is imperative to better satisfy the growing market demand for green logistics. Therefore, based on the Company’s established threshold for financial materiality, the issues of “Innovation-Driven”, “Energy Utilization”, and “Addressing Climate Change” are all deemed to be financially material.

Step 4: Analysis and Reporting

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

2025 Double Materiality Analysis Matrix



Materiality Priority	Category	ESG Key Issues	Location in the Value Chain	Related Stakeholders	Impacts	Risks	Opportunities	Disclosure Location of Management and Practices
1	Social	Innovation-Driven	Direct Operations Downstream	Customers Employees	Technological innovation in the logistics industry continues to reshape service efficiency and the value chain. Breakthroughs and iterations in automation and intelligent technologies are accelerating industry differentiation and transformation toward smart, low-carbon ecosystems.	High R&D investment may increase short-term financial pressure, and uncertainties in R&D cycles and technological iteration may increase operational risks. Given its extensive business coverage and large data volume, the Company is susceptible to cybersecurity and data compliance risks, and needs to strengthen compliance prevention and control capabilities.	Leveraging its long-term deep cultivation in the logistics sector and forward-looking layout of cutting-edge technologies, the Company accurately seizes development opportunities brought by scientific and technological innovation. It continuously improves the operational efficiency of its logistics network focusing on technological innovation, and comprehensively enhances the quality of logistics services and customer experience. Meanwhile, it actively expands service boundaries, deepens the integrated application of technology with supply chain scenarios across various industries, and empowers industrial development with digital and intelligent capabilities.	Pioneering Intelligent Logistics
2	Environment	Energy Utilization	Direct Operations	Regulatory Agencies Customers Suppliers	The energy consumption structure directly impacts operating costs and 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.	Against the backdrop of global efforts to address climate change, energy regulatory policies are becoming increasingly stringent, and energy efficiency standards are continuously raised. The Company may need to invest more resources to optimize its energy structure and improve utilization efficiency, which may push up compliance and operating costs to a certain extent. Affected by fluctuations in market prices of clean energy (including sustainable aviation fuel, green electricity, etc.) and fossil fuels (such as gasoline, diesel, etc.), the Company may face certain pressure in cost control in transportation and warehousing segments.	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 and low-carbon logistics capabilities will help expand high-end manufacturing, apparel, footwear, and other low-carbon-sensitive clients, increasing revenue streams by providing green logistics solutions. The first-mover advantage in carbon management technology enables the Company to lead the development of industry green standards and drives the premium scope of logistics services to expand from timeliness to sustainability.	Practicing Green Operations
3	Social	Data Security and Customer Privacy Protection	Direct Operations	Regulatory Agencies Customers Employees	In the digital transformation of the logistics industry, data security and privacy protection directly affect the Company's operational risk prevention and control and the foundation of customer trust. As global privacy regulations become stricter, this issue is not only key to meeting compliance requirements but also drives technological upgrading and industry ecosystem collaboration.	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 data regulations tighten, companies holding personal information inevitably face privacy compliance risks.	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 to ensure compliance with data regulations, mitigate cross-border operational risks, enhance customer trust and brand competitiveness, and create favorable conditions for international expansion and sustained business growth.	Ensuring Information Security
4	Social	Safe Delivery and Transportation	Direct Operations	Employees Regulatory Agencies Media/the Public Community	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, fostering high-value-added security services.	Accidents in safe delivery may lead to brand reputation damage and legal liability. The need for technological upgrades, such as intelligent monitoring and full-process temperature control, will drive up the Company's operating costs. Meanwhile, updates to industry safety standards will increase compliance pressure.	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.	Safeguarding Delivery Security Promoting Industry Development
5	Environment	Addressing Climate Change	Direct Operations Downstream	Customers Employees	The increasing frequency of extreme weather has raised the risk of logistics network disruptions and increased volatility in 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.	Frequent extreme weather events heighten the risk of disruptions to logistics networks. Disasters such as typhoons and floods cause fluctuations in transportation timelines and damage infrastructure, increasing repair and operational costs. Pressure from greenhouse gas reduction policies, coupled with R&D and investment in low-carbon transition technologies, may compel greater investment in transforming toward green, low-carbon logistics models.	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 capability into pricing power and market share.	Addressing Climate Change

02

Governance

Operating with Integrity to Ensure Steady and Long-term Success

"Honesty-based" is the core value that SF has always adhered to, and it is deeply embedded in every aspect of corporate culture and business management. Amidst a shifting global regulatory environment and rising compliance expectations, SF upholds integrity as its cornerstone. We have constructed a solid foundation comprising robust governance, comprehensive risk control, strict business ethics, and resilient information security. While providing customers with secure and reliable digital logistics services, we actively safeguard the enterprise's long-term stability and sustainable development, committed to realizing our vision of "to be the well-respected and the world's leading digital intelligence logistics solution provider."



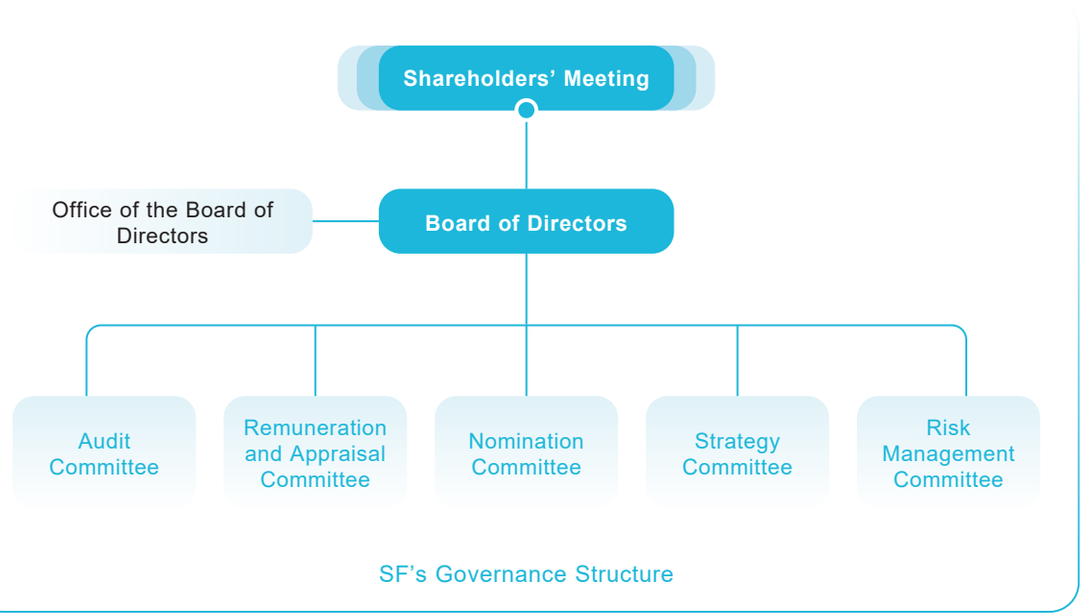
- Standardizing Corporate Governance
- Upholding Business Ethics
- Strengthening Risk Management
- Ensuring Information Security



Standardizing 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. In December 2025, in accordance with new regulatory requirements such as the *Company Law* and the *Guidelines for the Articles of Association of Listed Companies*, and combined with its actual situation, the Company systematically revised and updated its Articles of Association and related corporate governance systems. The main revisions include: abolishing the Board of Supervisors, with the Board Audit Committee taking over the relevant supervisory functions; further improving the decision-making efficiency of the Board of Directors, and adjusting the number of board members from 7 to 6, including 1 employee representative director. The Company's governance structure complies with the relevant requirements of domestic and overseas regulators regarding the governance of listed companies.



SF's Governance Structure

Shareholders' Meeting

The Company convenes and holds shareholders' meetings in strict compliance with relevant laws and regulations, engages lawyers to attend the shareholders' meeting as observers and issue legal opinions on the holding and voting procedures of the shareholders' 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 conduct, exercise their rights through the shareholders' meeting, and do not interfere with the Company's management or decision-making by directly or indirectly bypassing the shareholders' meeting and the Board. In 2025, SF held 3 shareholders' meetings.



Board of Directors

SF's Board of Directors is composed of 6 directors, of which 3 are executive directors and 3 are independent non-executive directors. In 2025, the Company convened 9 Board meetings to deliberate and decide on material matters, including the A-share repurchase plan, profit distribution plan, exercise of equity incentives, H-Share placement and convertible bond issuance, and the "Grow Together" shareholding scheme (A shares), thereby fully demonstrating the Board's pivotal role in strategic guidance and decision-making. 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 Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee, and the Risk Management Committee. In 2025, these special committees held a total of 19 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.

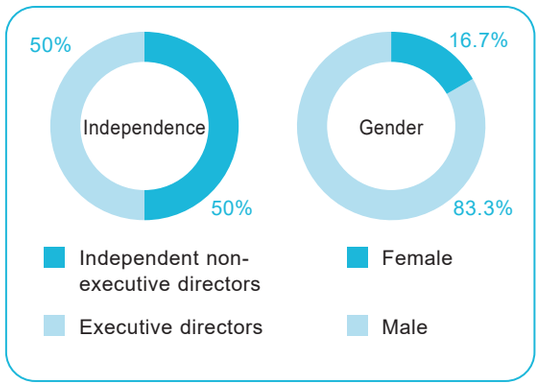
Performance of Duties by Special Committees of SF's Board of Directors in 2025

Audit Committee	Audits the Company's financial information and its disclosure, supervises and evaluates internal and external audit work and the internal control system, standardizing the Company's operating behavior, improves operation management and avoids operational risks.
Remuneration and Appraisal Committee	Recommends the remuneration of Directors and senior management to the Board, to ensure that the remuneration system serves the Company's business strategy and continuously adjusts it to support the Company's long-term development.
Nomination Committee	Reviews the diversity policy for board members, examines the structure and composition of the board, assesses the independence of independent non-executive directors, and provides professional recommendations.
Strategy Committee	Reviews the overall development strategy and sustainable development strategy of the Company, supervises and guides the implementation of ESG work, and makes recommendations to the Board.
Risk Management Committee	Guides the Company's overall risk management work, evaluates the integrity of the risk management system (including ESG risks) and issues opinions, and assists the Board in performing its risk management functions.

Board Diversity

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 overseen by the Nomination Committee, which reports its findings and recommendations to the Board of Directors. The Company periodically reviews relevant policies and objectives to ensure they remain appropriate for determining the optimal composition of the Board.

As of the end of 2025, 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, and business administration, as well as different industry backgrounds and professional qualifications. The Company has three independent non-executive directors with different industry backgrounds, comprising half of the board members. In addition, the Company's board of directors has one female director, representing 16.7% of the total directors. The age range of directors ranges from their 40s 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.



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.



Strengthening Risk Management

SF has established a sound risk management and internal control system to strengthen and standardize its internal management, continuously enhance the effectiveness of risk prevention and control, and promote the Company's sustainable and healthy development. Specifically, the Company proactively identifies and assesses environmental, social, and governance (ESG) risks arising from its operations and development, and formulates corresponding response strategies to effectively reduce operational risks and losses. The Company's compliance management system has obtained ISO 37301 international standard certification and continues to refine relevant mechanisms to ensure its compliance management and risk control capabilities remain industry-leading.

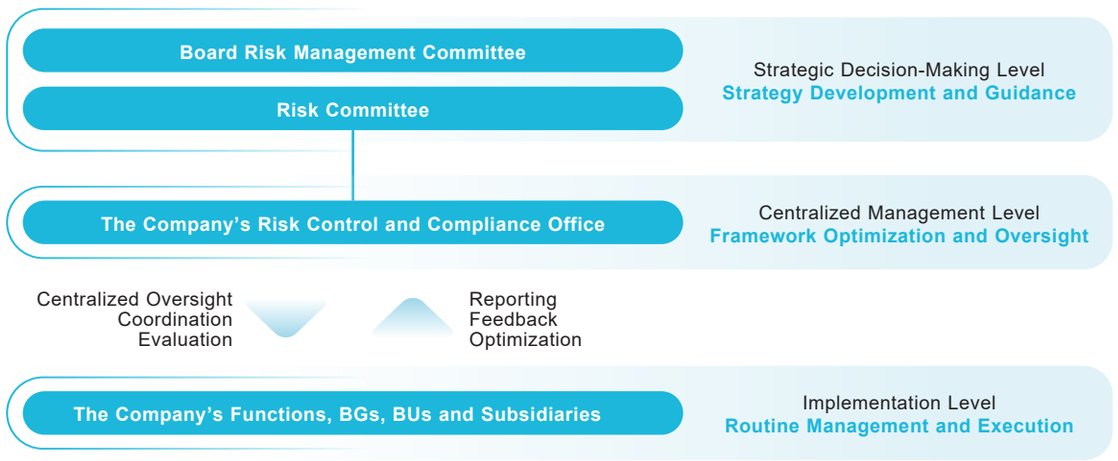
Risk Management System

SF has established the Risk Management Committee of the Board of Directors as a specialized risk management body. It sets the direction for and guides the Group's risk control and compliance management work on behalf of the Board. Under this committee, the Risk Committee serves as a professional decision-making body for the overall governance and oversight of the Company's risk control and compliance. Led by the Company's Chief Financial Officer (CFO), it is primarily responsible for deliberating and making decisions regarding the establishment of the risk management framework, including its systems, processes, authorization mechanisms, as well as the prevention and response to major risks. The Risk Committee reports to the Risk Management Committee of the Board of Directors quarterly and annually. The Company's Risk Control and Compliance Office coordinates the oversight of risk control and compliance, while leaders of each functional department, BG (Business Group), BU (Business Unit), and region bear the primary responsibility for relevant risk control. Their duties include formulating specific risk control measures and implementation guidelines, and overseeing the identification, assessment, and execution of daily risk control measures.

SF attaches great importance to risk management, establishing and continuously optimizing 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, combining 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 Company's Risk Control and Compliance Office coordinates the optimization of the risk management framework and control measures. It organizes the designated risk owners to assess the probability and impact of risks and monitors risk trends through models to establish risk management priorities. Identified existing and potential risks are then summarized and reported to the Risk Committee. The Risk Committee conducts a comprehensive risk assessment of the Company annually, reviews the Company's annual risk report, and determines the Company's risk appetite and response strategies.

The Company's internal audit department regularly reviews risk management controls and procedures and reports the findings to the Group's Audit Committee. This ensures the comprehensiveness and accuracy of risk assessments and the effectiveness of the risk management processes.



SF Risk Management Governance Structure

Risk Management Practices

SF places high importance on risk management. By establishing a comprehensive risk management system that spans the entire operational lifecycle and adapts to diverse business needs, combined with digital systems, scientific control mechanisms, and efficient execution capabilities, the Company builds a robust barrier for compliant operations and steady development, effectively mitigating potential risks.

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, risk event 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 closed-loop management, thereby effectively improving the efficiency of risk identification and management.

In 2025, overseas business risk management emerged as a key focus within the Group's risk management framework. The Company systematically deepened the construction of its overseas risk control and compliance system, covering multiple dimensions including risk identification and control, standardization of systems and processes, digitalization of risk management, and normalization of production safety. The Company dynamically updated its risk register, established overseas risk management rules and compliance operation guidelines, and continuously iterated and optimized multi-dimensional risk dashboards. Through technology-enabled solutions, it empowered business units to proactively manage risks and respond with foresight, gaining a more comprehensive and clear understanding of the full risk landscape. This enhanced the precision and efficiency of risk management, ensured compliant operations, and safeguarded the steady expansion of overseas business.

Risk Management System

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

Risk Event Management System

Responsible for closed-loop management of corporate risk incidents.

Internal Control and Compliance System

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.

Closed-Loop 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.

Pre-event Prevention

Conduct regular risk assessments to understand the current status of risk control. Continuously optimize risk management mechanisms to reduce the probability of risk events from the source.

In-event Response

Coordinate multi-departmental joint responses to handle risk events according to local conditions, minimizing the negative impact caused by such events.

Post-event Review

Collaborate with relevant departments to summarize event issues and identify root causes. Drive the development of optimized solutions to continuously strengthen the foundational capabilities of risk management.

Based on risk event management, the Company carried out a targeted refresh of the risk scenario and deposited 26 risk response management and control plans in 2025. 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.

Risk Culture Development

SF continues to deliver diversified risk training and empowerment programs. Through in-person specialized workshops, online self-directed learning, and certification exams, the Company provides foundational risk management frameworks and principles training to all employees. Additionally, it organizes specialized advanced courses focusing on critical risk areas such as product and service quality, export controls and trade sanctions, workplace safety, and information security. In 2025, the Company delivered a cumulative total of over 86,830 hours of specialized training courses, achieving 100% coverage of risk-specific training for new employees.

Meanwhile, the Company has integrated risk management performance into its performance evaluation system. At the group level, risk monitoring and assessment of business units are conducted across dimensions including sales risk, production safety, capital security, information security, and brand reputation. At the business unit level, reverse evaluation of the group's risk management organization is performed based on risk management processes, standards, tools, and training, to establish a closed-loop management mechanism.

Throughout product and service development, the Company deeply integrates risk management into its full life cycle management. During the initiation and review of new product development and service projects, the Company systematically conducts risk identification, assessment, and control through cross-departmental collaboration and standardized processes. This ensures that products comply with risk management requirements throughout their entire life cycle – from design and launch to iteration and discontinuation.

Over **86,830** hours

Cumulative hours of risk compliance training courses carried out in 2025

100%

Coverage rate of new employees in risk compliance training



ESG Risk Identification and Management

SF regularly identifies and updates its risk inventory, fully integrating ESG risks into its existing tiered risk categories (Level 1, Level 2, and Level 3). The Company's ESG risk management structure aligns with its overall risk management organizational framework, with the Risk Management Committee of the Board of Directors serving as the highest risk management body responsible for the identification, prevention, and control of ESG risks.

SF incorporates various ESG risks – including data compliance, trade compliance, intellectual property, anti-corruption, occupational health and safety, human rights and human resource management, and environmental risks – into its risk management framework, and regularly assesses and monitors them. These include climate-related transition risks, carbon target management risks, and energy use monitoring risks, among other environmental risks.



Emerging Risks

Guided by the Company's risk management framework, the Company proactively identifies and addresses emerging risks. The following are two emerging risks that we consider critically important.

Risk Categories	Risks Associated with the Application of Artificial Intelligence (AI)	Regional Data Compliance Risks
Risk Description	SF has extensively integrated artificial intelligence into core processes such as marketing content generation, intelligent customer service, and cross-border customs documentation review. The Company must adhere to domestic and international AI ethics guidelines to ensure the safety, controllability, fairness, and transparency of its AI systems.	Global data regulation is becoming increasingly fragmented and stringent, with rules in key countries and regions diverging as they tighten. The Company's cross-border logistics operations involve the cross-border flow of data, including order and waybill sender/recipient information, significantly elevating data compliance requirements.
Risk Impact	In the context of rapid AI adoption and expanding use cases, fragmented governance could lead to risk accumulation and proliferation, significantly increasing compliance and governance costs. The Company must therefore establish and enhance governance and control over the entire life cycle of its AI technologies.	Inadequate data compliance management could expose the Company to overlapping legal, reputational, and supply chain risks. Legally and financially, unlawful cross-border data transfers may trigger substantial fines. Reputationally, data breaches or mishandling could damage brand trust and lead to loss of key clients. Within the supply chain, misaligned compliance standards with partners could disrupt cooperation and trigger cascading effects.
Response Measures	1) Build a unified management platform: Institutionalize key risk mitigation capabilities within systems through platform development and standardized processes to enable scaled implementation. 2) Implement policies and standards: Introduce the Measures for the Safety Management of Application Recommendation Algorithms and the AI Safety and Compliance Management Standards to define the safety and compliance baselines for R&D and product teams throughout the algorithm, AI, and large language model application process. 3) Establish full life cycle controls for AI: Develop a governance system covering the entire life cycle of AI models and applications. Implement a tiered, classified, and labeled management approach for AI models/applications. Apply differentiated controls based on risk levels determined by factors such as application scenarios, data sensitivity, impact scope, and jurisdiction. 4) Enhance risk identification and mitigation: Establish a routine risk identification and assessment mechanism. Deploy AI safety tools (guardrails) to ensure the robust and ethically compliant operation of AI systems. 5) Conduct employee training and awareness programs: Communicate AI regulatory developments and safety/compliance requirements to all employees via various formats including e-learning, online seminars, live sessions, and internal channels. Provide specialized training for AI developers to strengthen their AI safety and compliance awareness and competencies.	1) Establish a data compliance management system based on global data protection regulations. Continuously monitor regulatory developments, formulate compliance strategies and standards, and optimize the Group's compliance framework. Conduct systematic regional compliance assessments to identify global gaps and promptly enhance controls. Execute personal information protection audits to ensure the effective implementation of controls across all regions. 2) Refine the privacy compliance risk assessment mechanism. Develop standardized processes for privacy compliance and cross-border data transfer risk assessments. Implement differentiated controls considering factors such as data classification and categorization, business scenarios, and security safeguards. Enable dynamic auditing of cross-border data flows and data fields via a unified cross-border data management platform. 3) Deliver systematic compliance training and foster a culture of compliance. Provide information security and privacy protection training in key regions, interpreting local data compliance laws and internal security requirements to elevate compliance awareness across all business functions.

Upholding Business Ethics

SF consistently adheres to the highest standards of compliance and business ethics, maintaining a zero-tolerance policy toward any conduct that violates these principles. To ensure the effective implementation of business ethics and compliance management, the Board of Directors oversees and reviews significant matters in these areas and ensures the effectiveness of the Company's internal control system. The Chief Financial Officer assists the Board in advancing compliance management, including efforts against corruption, money laundering, and unfair competition. The Chief Audit Executive is responsible for organizing internal audits, supervising and reviewing internal corruption practices and other misconduct, and reporting regularly to the Board's Audit Committee. Supported by this governance framework, SF actively upholds a free and fair market environment, steadily advances its integrity system, and lays a solid foundation for fostering an ethical business ecosystem and achieving sustainable development.

Code of Business Ethics

SF consistently upholds the highest ethical and integrity standards and is committed to sustainable and healthy operations. The Company publicly discloses its *SF Business Conduct Guidelines, Anti-Corruption Statement, and Conflict of Interest Statement* on its official website. These documents apply to all employees of SF and its global subsidiaries and branches, urging everyone to respect laws and regulations, adhere to internal systems, and work with partners to uphold integrity and operate in full compliance.

In 2025, the Company revised its *Employee Handbook*, adding policies on intellectual property protection and compliance, anti-corruption, anti-harassment and anti-discrimination, as well as business entertainment and travel. The updated handbook provides employees and management with specific details and operational guidance on standards of acceptable conduct and approval procedures. Annually, the Company conducts business ethics training for all employees, including part-time and contractors, covering compliance requirements such as the Business Conduct Guidelines and anti-corruption policies. This ongoing training continuously reinforces company-wide compliance awareness.



Anti-Monopoly and Anti-Unfair Competition

SF strictly complies with all applicable antitrust and unfair competition laws and regulations and is committed to maintaining a credible, fair, and open market order and business environment. In 2025, in response to increasingly stringent regulatory trends both domestically and internationally, the Company systematically enhanced its antitrust and unfair competition compliance management system, covering the entire lifecycle from policy development and business review to technical safeguards and capability building.

During the reporting period, the Company was not subject to any investigations or litigation arising from the conclusion or implementation of monopoly agreements, nor did any major legal disputes related to unfair competition or antitrust matters occur. Overall, competition-related compliance risks are well managed and under control, providing a solid foundation for the Company's healthy business development.

Policies and Systems

The Company issued and implemented the *Antitrust and Competition Law Compliance Management System (Version 2.0)*, which serves as the foundational document in this area, clearly defining compliance boundaries and the responsibilities of all personnel.

Business Process Control

The Company strengthened oversight in two key dimensions: promotional compliance and core business activities.

Pre-release Compliance Review for Promotions

The Company has established a mandatory pre-release compliance review process for all external promotional materials, such as online advertisements and product pages. It also employs technical tools to conduct regular scans and keyword monitoring of content on third-party platforms to proactively identify and address potentially non-compliant statements.

Mandatory Assessment for Core Business Activities

The Company requires all projects involving competitor cooperation agreements, exchanges of competitor information, investments, financings, or mergers and acquisitions that may constitute a concentration under antitrust laws, as well as any other activities potentially in violation of the *Anti-Monopoly Law* and the *Anti-Unfair Competition Law*, to undergo a competition impact assessment by the Legal Affairs Center prior to key decision points to ensure compliant and prudent operations.

Technical Safeguards and Confidentiality Management

The Company strictly enforces information classification and access controls, implements physical access restrictions for secured areas, and incorporates standard confidentiality and intellectual property clauses into key business cooperation agreements. No significant incidents involving the leakage of trade secrets occurred during the year.

Compliance Culture Building

The Company organized 17 dedicated training sessions on antitrust and unfair competition throughout 2025, covering new hires, regional business teams, and legal personnel, thereby enhancing their awareness of competition compliance and ability to identify related risks.

Anti-Commercial Bribery and Anti-Corruption

SF integrates anti-corruption management into its daily operations and maintains a zero-tolerance policy toward any form of corruption, bribery, or fraud. Through initiatives such as anti-corruption risk assessments, audits, and education programs, the Company continuously strengthens its business ethics and compliance controls in areas including anti-corruption, anti-bribery, and anti-money laundering. An internal audit department, independent of business lines, monitors the implementation of anti-corruption policies and internal controls. Furthermore, the Company has established an Anti-Corruption Compliance Committee and a supporting Review Panel to ensure the effective operation of its anti-corruption compliance framework. During the reporting period, the Company did not identify any incidents of embezzlement, bribery, or fraud that could have a material impact on its operations. In accordance with regulations, the Company addressed three employee conflict-of-interest violations and maintained a clean record with zero identified violations of anti-money laundering regulations.

Integrity Management System

The Company has established a multi-tiered integrity oversight framework that extends from the Board's Audit Committee and headquarters supervisory departments down to the business units and regional branches. Within these operational units, three additional lines of oversight have been implemented, creating a comprehensive integrity management system that permeates the entire organization and all roles.

To enhance oversight effectiveness, the Company has also constituted two dedicated committees: the Executive Disciplinary Inspection Committee led by the Chief Executive Officer (CEO), the Chief Human Resources Officer (CHO), and the Chief Audit Executive (CAE); and the Employee Disciplinary Inspection Committee led by the Chief Audit Executive (CAE), the head of the Culture and Employee Relations Office, and the head of the Audit and Supervision Office. These committees are responsible for the integrity and disciplinary oversight of senior management and other employees, respectively, forming a top-down, comprehensive supervision mechanism.

Executive Disciplinary Inspection Committee

Led by the CEO, the CHO, and the CAE.

Employee Disciplinary Inspection Committee

Led by the CAE, the head of the Culture and Employee Relations Office, and the head of the Audit and Supervision Office.

Three Defensive Lines for Integrity Supervision

The First Line

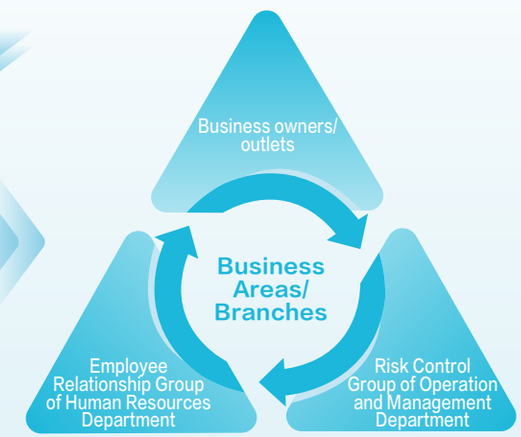
Business areas/branches

The Second Line

Regulatory department at the headquarters for each segment
Legal affairs/Compliance/Internal

The Third Line

Company Audit



SF's Defensive Lines for Integrity Supervision

SF's *Employee Handbook* and *Integrity Handbook* clearly define integrity-related conduct expectations both inside and outside the Company, specify violations and corresponding disciplinary measures, and provide all employees with a clear and reliable code of conduct to guide their daily behavior. To foster a fair, just, and transparent work environment, SF has established a comprehensive anti-corruption system based on the principles of "No Courage, No Ability and No Intention," strictly preventing and penalizing violations and corrupt practices such as bribery, embezzlement, and fraud.

In 2025, the Company actively encouraged all employees to sign the *Anti-Corruption Commitment Letter*, achieving a signing rate of 99.5%.

SF "No Courage, No Ability and No Intention" Anti-Corruption Framework

Creating a strong deterrence environment of "No Courage"

- Proactive anti-fraud measures
- Professional investigation and enforcement
- Strict accountability system

Building a governance framework of "No Ability"

- Organizational governance
- Systems and standards
- Democratic oversight

Fostering an integrity culture of "No Intention"

- Integrity commitment signing
- Awareness communication and education
- Specialized learning
- Integrity culture

Anti-Bribery and Anti-Corruption Risk Management

SF has established a systematic anti-corruption risk assessment mechanism to identify and assess potential risks across all business areas, develop targeted mitigation measures, and thereby continuously strengthen its anti-corruption risk management. The Company conducts annual reviews of the effectiveness and compliance of its internal controls to prevent and promptly detect bribery and corruption risks. The results of these reviews and corresponding response measures are reported directly to the Board's Audit Committee. Furthermore, the Company regularly conducts integrity index surveys to comprehensively assess the effectiveness of its internal integrity initiatives.

Concurrently, the Company analyzes past misconduct cases to identify root causes and conducts organization-wide scans using advanced data analytics tools. Throughout the year, these efforts led to the proactive identification of over 600 red flags, significantly enhancing anti-corruption risk prevention and control capabilities across its business units.

Anti-Corruption Management in Procurement and Supplier Management

SF continuously enhances its compliance management system for commercial partners. In 2025, the Company issued the *SF Group Anti-Corruption Compliance Policy for Commercial Partners*, establishing a comprehensive anti-corruption screening mechanism. This policy clearly defines the anti-corruption compliance norms and processes for internal units when engaging with commercial partners, systematically mitigating corruption risks in business collaborations. To address the specific needs of its overseas operations, the Company formulated the *Code of Conduct for Overseas Procurement Personnel*. This code standardizes the professional ethics of the Group's overseas procurement staff, ensuring the legality, compliance, and fairness of procurement activities, safeguarding the Company's interests, and upholding a positive corporate image.

Regarding supplier anti-corruption management, the Company publicly discloses the *SF Supplier Code of Conduct* on its official website. This code requires suppliers to establish sound compliance management structures and anti-corruption policies, ensuring their full adherence to SF's standards. Simultaneously, through the *Transparent Procurement Notification*, the Company clarifies the mutual responsibilities and rights for maintaining integrity, setting a high standard for business ethics. Partners are required to sign the *Integrity Agreement* to jointly foster an integrity value chain. In 2025, the Company revised the anti-corruption clauses within the Integrity Agreement, further clarifying prohibited conduct, liabilities for breach, and oversight mechanisms, thereby strengthening compliance obligations for suppliers.

2025 *Integrity Agreement* Signing Rate (Cooperative Suppliers) **100%**

For key high-risk business areas such as procurement and supplier management, the Company has established an integrated, full-cycle integrity risk control framework encompassing prevention, real-time monitoring, and post-event accountability.

Prevention

Internally, the Company conducts regular integrity training and case-based ethics alerts for procurement and related management staff, and requires them to sign the *Anti-Corruption Commitment Letter* to clearly define acceptable conduct.

Externally, the Company strictly controls commercial partner onboarding. In accordance with the *SF Group's Anti-Corruption Compliance Policy for Commercial Partners*, it performs multi-layered assessments including anti-corruption due diligence, reviews of historical compliance records, and ultimate beneficial ownership (UBO) analysis. The Group's Risk Control Department leads the development of a risk screening database that consolidates data from adverse business registries, litigation records, and industry exclusion lists. This database supports risk assessments of potential partners, and standard anti-corruption clauses are embedded in all contracts.

Real-Time Monitoring

The Company relies on risk control models to monitor commercial partners' compliance performance. By integrating multiple information sources – such as internal reports, audit findings, and external sentiment – it proactively identifies risks and provides management with targeted improvement recommendations.

The Company maintains an anonymous reporting channel, ensuring its accessibility, confidentiality, and the protection of whistleblower rights. All reports are promptly acknowledged and thoroughly investigated.

An annual anti-corruption due diligence mechanism for suppliers has been established, applying differentiated scrutiny based on risk levels. Continuous oversight of supplier compliance is ensured through periodic document reviews and dynamic performance evaluations, thereby verifying partners' adherence to integrity commitments.

Post-Event Accountability

The Company strictly enforces its debarment policy against suppliers found to have engaged in violations such as commercial bribery, fraudulent bidding, or material breach of contract. Upon confirmation, the relevant business unit is directed to terminate cooperation immediately, ensuring closed-loop risk management.

Anti-Bribery and Anti-Corruption Audit

SF designates anti-corruption as a key audit area. Through systematic risk assessment and auditing, the Company ensures the effectiveness of its internal anti-corruption management system and upholds compliant operations. Over the past three years, internal audits (including business ethics audits) have achieved 100% coverage of the Company's operational sites, ensuring comprehensive oversight. Furthermore, SF annually engages an independent third-party audit firm to conduct an independent review of its business ethics, identifying and assessing potential business ethics risks across its operations.

Anti-Bribery and Anti-Corruption Education

SF continuously deepens its anti-corruption education through a diversified and innovative integrity training system. The Company conducts training for all employees (including part-time and contractors) via various channels, including internal communications, Culture & Integrity Forums, the 'Dual 100' Learning Initiative (100% participation, 100% pass rate), and specialized training courses. Employees are also organized to visit disciplinary case study centers, leveraging real case studies to reinforce disciplinary awareness and ethical boundaries.

In 2025, the Company actively advanced its "Law-in-Enterprise" training program, inviting professional legal institutions to deliver lectures on integrity. This initiative deeply integrates compliance requirements with the integrity culture and uses typical cases to deliver targeted education to frontline staff, achieving comprehensive and regular coverage. Tailored to regional business characteristics, the Company further enhanced localized anti-corruption awareness campaigns, providing targeted briefings to frontline personnel based on concluded violation cases. During the reporting period, units across the network independently published over 400 integrity-related communications, continuously fostering an organizational culture of integrity and probity.

Project Name	Target Audience	Content / Format
Culture & Integrity Forum	Senior Management	Held periodically to reinforce integrity culture and compliance fundamentals
Anti-Corruption Seminar	Middle and Junior Management	Focuses on high-frequency complaints and topical issues for specialized learning
'Dual 100' Learning Initiative	Frontline Staff & Junior Management	Lectures based on practical frontline cases, requiring 100% participation and a 100% pass rate on assessments
Training by External Legal Experts	Core Business Departments	Sessions conducted by invited external legal experts on professional integrity topics
Visit to Ethics Awareness Exhibits	Core Business Departments, High-Risk Roles (e.g., Procurement, Capacity Mgmt.)	Conduct on-site visits and learning, and on-site warning education
Supplier Integrity Briefing	Commercial Partners / Suppliers	Integrity presentations delivered during supplier conferences

Integrity Training Programs in 2025

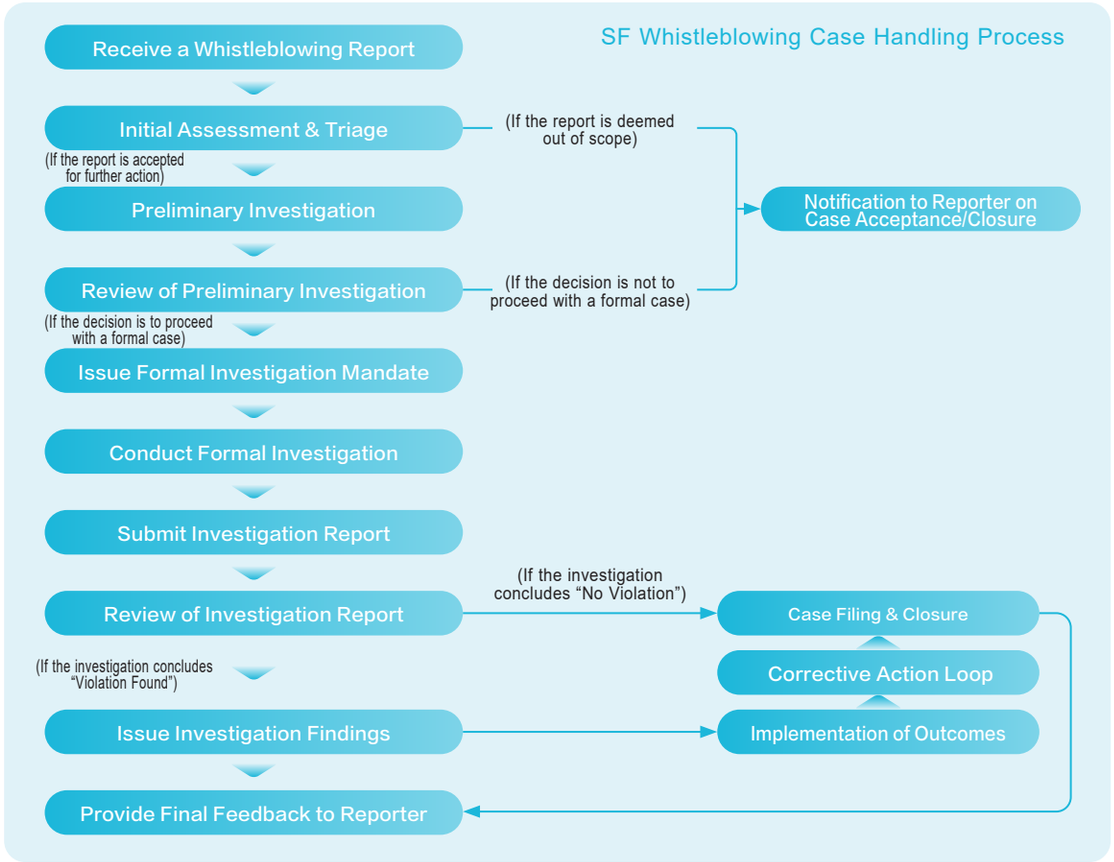
Whistleblowing Management

SF attaches high importance to whistleblowing management and the protection of whistleblowers. The Company has established a confidential reporting and incentive mechanism to encourage employees and external stakeholders to actively provide information on potential misconduct, thereby jointly upholding a fair and transparent business environment. The Company strictly adheres to its *Reporting Management Measures*. All personnel with access to reported information are required to maintain strict confidentiality. SF strictly prohibits any form of retaliation against whistleblowers. Violators will be subject to severe disciplinary action, up to and including legal liability. The head of each organizational unit serves as the primary person accountable for protecting witnesses (including whistleblowers) and must take reasonable measures to safeguard their rights and interests.

SF's *Reporting Management Measures* stipulates that the confidentiality of whistleblower information includes, including but not limited to the following:

- All personnel receiving whistleblowing reports must forward the information to the designated reporting department and are prohibited from disseminating it arbitrarily to others.
- Personnel involved in the follow-up of reports must not disclose any report-related information to other individuals.
- Investigation findings and proposed actions must not be disclosed prior to the assessment and public announcement of disciplinary decisions.
- Investigation reports and evidential materials must not be arbitrarily disseminated to other personnel.

The Company's internal audit department is responsible for the centralized intake and logging of all reports. Depending on the nature of the incident, it refers reports to the relevant functional departments for review or leads investigations as necessary. For all reports received, the Company strictly enforces its "Triple Ones" timeliness requirements to ensure prompt response and handling. Following investigation and verification, the Company imposes appropriate disciplinary measures on responsible parties based on the severity of the violation. Cases involving suspected illegal activities are transferred to judicial authorities.



"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.

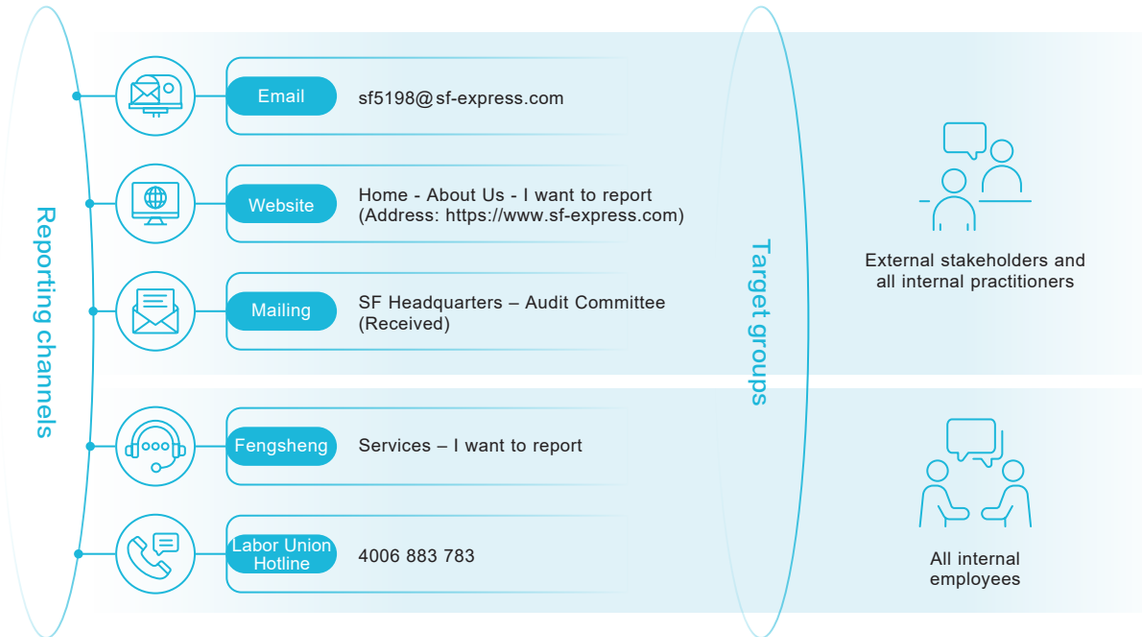
Completion of the investigation within one month

Complete the investigation of the report and provide the results within one month of confirming the case.

In 2025, the Company received over 600 whistleblowing reports. For all effective reports, it engaged in thorough communication with whistle-blowers to understand the incident details and gather relevant evidence. Following investigation and verification, prompt feedback on the handling outcome was provided, achieving a follow-up rate of 100%. During the reporting period, no breaches of whistle-blower confidentiality occurred.

Reporting Channels

SF provides 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 channels such as email, the official website, letters, and hotlines. In 2025, to support global operations, the Company extended its compliance reporting channels to multiple judicial jurisdictions, with communication support available in both Chinese and English.



To cultivate a corporate culture of "collective oversight, universal integrity," the Company continuously strengthens awareness campaigns on the proper use of its reporting channels.

Employee Training and Awareness on Reporting

Reinforce multi-channel communication to raise employee awareness and engagement.

Through internal platforms such as "Fengsheng", it regularly publishes integrity-themed content. Each relevant post concludes with a dedicated "Reporting Channel Reminder" section that clearly lists group-wide and regional reporting contacts, and explicitly advises employees to contact the internal audit department directly for matters involving corrupt practices.

Advocate for escalation through proper channels and identified reporting, and establish a positive incentive mechanism.

It clarifies the principle of "reporting through appropriate levels for tiered handling," encouraging employees to first utilize their own unit's reporting channels when issues arise. When identified reports are verified, the Company grants appropriate rewards in accordance with the *Reporting Management Measures*. This ensures the timely acknowledgment and closed-loop management of reports, thereby boosting employees' motivation to participate.

Intellectual Property Protection

SF places a high priority on intellectual property (IP) protection. It strictly complies with laws and regulations including the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, and has established a rigorous, standardized IP management system. This system implements a scientific and effective tiered, categorized, and differentiated management approach to ensure compliant and orderly IP utilization, thereby safeguarding the Company's IP rights comprehensively and providing a solid foundation for its continuous innovation and development. In 2025, the Company advanced its IP focus from foundational system building to strategic value enhancement. It formulated the *Management Regulations of the Group Patent Review Committee*, formally establishing the Committee's organizational structure, responsibilities, and workflow. This provides institutional assurance for the patenting of core technologies and the identification and cultivation of high-value patents. Furthermore, the Company updated key policies such as the *Operation Guide for Overseas Business Brand Use Authorization*, supporting brand consistency management and risk prevention within its global strategy.

In 2025, the Company established a three-tier IP training system grounded in "regular compliance training, company-wide awareness promotion, and focused deepening in key areas." The system covers all employees, with particular emphasis on key roles and core departments including technology R&D, legal, product, operations, and brand management. Throughout the year, the Company conducted 28 dedicated IP training sessions, reaching tens of thousands of participants. These comprised 6 sessions of regular compliance training for key positions, 10 sessions of company-wide awareness promotion, and 12 sessions of in-depth, customized training for key departments. This ensured training resources were precisely aligned with the needs of different roles and levels, deepening organization-wide understanding of IP compliance management and innovation protection.





Group photo of participants in an intellectual property protection training session

Ensuring Information Security

Information and Network Security Management System

SF strictly complies with national laws, regulations, and industry norms, maintaining constant high vigilance against information and network security risks while continuously enhancing its internal management system in these areas.

The Company has established a three-tier information security and privacy protection management structure consisting of the decision-making level, management level, and executive level. The Information Security and Privacy Protection Committee serves as the highest decision-making body, responsible for decisions, appointments, and directives concerning information security and privacy protection. The Group's Information Security and Privacy Protection Working Group operates under this Committee. Under the overall leadership of the Chief Information Security Officer (CISO), the Working Group supports the Company's information security and privacy protection governance and ensures the efficient operation of the management system. Its responsibilities include coordinating group-wise efforts and leading the development and day-to-day operation of the network security, data security, and privacy protection frameworks.

Decision maker	Information Security and Privacy Committee	Composed of the CEO, the CFO and the CTO of the Company	Be responsible for information security and privacy protection decisions, appointments and instructions, as well as supervision and audit of personal information protection related matters
Management	Information Security and Privacy Protection Working Group	Led by CISO, it is composed of the Information Security Center, the Legal Affairs Center, and various business lines	Coordinate and organize the Company's information security and privacy protection governance
Implementation	Departments and Business Units	Composed of functional departments and business units	Implement specific information security and privacy protection governance measures

In 2025, in response to refined data governance requirements and business developments, the Company revised key policies including the *Data Asset Classification, Grading, and Security Management Measures*, the *Information Security Reward and Discipline Policy*, the *Information Security High-Risk Behavior Management Measures*, and the *SF App Privacy Compliance Standards*. Simultaneously, to address regulatory mandates and mitigate compliance risks arising from the widespread adoption of emerging technologies such as algorithms, AI, and large language models (LLMs), the Company introduced the *Measures for the Security Management of Application Recommendation Algorithms* and the *AI Security and Compliance Management Standards*. These new standards clarify the security and compliance baselines for product development units to follow when utilizing algorithms and LLMs.

The Company's information and network security management system holds ISO/IEC 27001 Information Security Management System (ISMS) and ISO/IEC 27701 Privacy Information Management System (PIMS) certifications, covering its core business operations. Furthermore, the SF Express App obtained the 2025 Classified Protection of Cybersecurity Level 3 certification and the CCRC Mobile Internet Application (App) Android/IOS Security Certification, providing comprehensive safeguards for user data security. Additionally, the Company's core supply chain management systems for orders, warehousing, and transportation were professionally audited during 2025 and obtained a System and Organization Controls (SOC) 1 Type 2 report. This report attests to the the design and operating effectiveness of the relevant internal controls, thereby further strengthening customer trust in the security and compliance of SF's supply chain services.



ISO 27001 Certification



ISO 27701 Certification



Classified Protection of Cybersecurity Level 3 Certificate (Core Operations and Online Business)



CCRC (Android) Certificate



CCRC (IOS) Certificate



SOC1 Type 2 report

Maintaining Network and Data Security

SF continually invests in enhancing its network and data security capabilities. This investment is driven by its core commitment to providing users with safe, stable, and reliable products and services, which in turn rigorously ensures business system continuity and comprehensively meets all regulatory compliance requirements.

To continuously strengthen its security posture, the Company conducts regular data security audits. Based on the latest regulatory requirements, these audits facilitate a comprehensive assessment of internal and external data security risks, with findings used to continuously improve the information and network security management system. In parallel, the Company performs routine network vulnerability assessments and conducts practical cybersecurity simulation exercises, systematically enhancing its overall defensive capabilities and emergency response efficiency for security incidents.

Regarding internal information security controls, the Company has integrated information and network security compliance into the performance evaluation system for all employees. It has formulated and issued the *Information Security Reward and Discipline Policy (V13.0)*. This policy clarifies core principles and the reward/discipline mechanism, while detailing the applicable rules, specific categories, typical scenarios, and procedures for penalties related to violations. This framework further standardizes employee high-risk operations, helps prevent security incidents at their internal source, effectively safeguards user data, and bolsters defenses against risks such as unauthorized access and malicious attacks.

During the year, the Company conducted multiple data security due diligence reviews of third-party vendors. These reviews covered areas including foundational security (qualifications, certifications, information security policies, HR security, network security), data and privacy protection, system security, and AI security compliance. No major non-conformities were identified.

In 2025, the Company experienced no major data security incidents.

SF Data Security Risk Management

Cybersecurity Level Protection Assessment	The Company conducts annual monitoring and evaluation of its information systems' security and compliance against national and industry standards. In 2025, it engaged an external agency to perform the Cybersecurity Level Protection (CLP) assessment, which was successfully passed. This led to the renewal of the CLP filing, and all identified risks were addressed.
Internal Audit of the Management System	Internal audits of the data security management system are conducted in accordance with standards including ISO 27001 and ISO 27701. These audits review the system for compliance, applicability, and sufficiency, with timely corrective actions taken on any findings. In 2025, the Company completed one information security internal audit and successfully passed the ISO 27001:2022 and ISO 27701:2019 surveillance audits.
Security Emergency Response Center (SRC)	The SF Security Emergency Response Center (SRC) is dedicated to protecting user information security. It maintains a public bug bounty program through the SRC platform, encouraging the user community to report security vulnerabilities in SF's systems and services, thereby enhancing overall security.
Emergency Response Mechanism for Data Security and Network Security Incidents	The Company continuously improves its emergency response mechanisms for information and network security incidents. In 2025, to address typical cybersecurity threats and potential data breach scenarios, it developed several specific contingency plans. These plans were incorporated into the appendix of the *Network Security Incident Management Standard*, further refining its tiered and categorized emergency response framework.

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 is 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 2025, there were no major personal information security incidents in SF.

Strengthening the Technical Foundation for Privacy Protection

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

Personal Data Security Management Throughout the Lifecycle

Based on the data lifecycle approach, SF applies classified and tiered management to the personal information involved in its business activities. SF takes protective measures such as encryption, de-identification, and access control during the data collection, transmission, use, and storage stages, in accordance with the sensitivity of the data and the principle of data minimization. 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 the prompt identification of abnormal operations and high-risk activities that may pose the risk of personal information leakage. Once an abnormality is identified, SF promptly initiates an investigation and takes measures to minimize the risk of personal information leakage at the source.

Personal Information Rights Response Mechanism

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 policy consent checkboxes and device pop-up notices. It also responds to users' requests to exercise their rights within the time limits required by law.

Privacy Waybill Protection

SF masks the fields on the express waybill that contain users' personal information, namely the names, contact details and address details of the sender and recipient. In addition, couriers 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

Information Security Culture Building

SF has established a multi-layered, diverse, and effectiveness-focused cybersecurity awareness and training system aligned with national and industry laws, regulations, policies, and standards. The Company innovates in formats and content, delivering integrated awareness campaigns through channels such as posters, the internal platform, and security portals. These campaigns are designed to bridge online and offline engagement and integrate security with business processes. Simultaneously, employees are encouraged to report suspicious incidents via email, internal communication tools, and security operations platforms, fostering a collective culture of security and continuously elevating company-wide cybersecurity awareness and literacy.

Network Attack and Defense Drills

To continuously enhance its cybersecurity defenses and emergency response capabilities, SF conducts annual Red Team/Blue Team exercises. These drills simulate classic external attack scenarios, enabling the Company to proactively identify and address vulnerabilities, review performance, and implement improvements. This process holistically strengthens the security team's collaboration and incident response skills, solidifying the Company's overall data security posture.

The Company conducts these annual exercises to build a practical cyber defense validation framework covering network and data security. By leveraging collaboration between internal and external security teams, the exercises simulate real-world threat scenarios – including phishing, zero-day exploits, supply-chain attacks, and data breach simulations – to comprehensively validate the effectiveness of the Group's cybersecurity operations and the defensive readiness of each region.

Information Security Training

SF conducts annual company-wide information security training to elevate employee awareness and capabilities. In 2025, with a focus on enhancing data security governance awareness, the Company delivered specialized training to R&D and information security personnel on data classification, grading, and security framework development. Aligned with its internationalization strategy, SF also provided targeted sessions on the overseas regulatory landscape for cross-border data and compliance strategies for data transfers, systematically deepening employees' understanding of the core principles, practical implementation, and compliance measures related to data security.

In 2025, the Company conducted **21** network security technology sharing activities and **24** security awareness promotion activities, covering all employees, with a cumulative training time of more than **1,400** hours, which significantly enhanced employees' information security protection awareness and capabilities.



03 Environmental

Embarking on a Green Journey to Build a Low-Carbon Logistics Ecosystem

Logistics, as the "meridian system" supporting a modern economic system, serves as a critical link connecting production, distribution, and consumption. Building a smart, resilient, green, and synergetic modern logistics system has become a strategic lever for achieving sustainable industry development and facilitating the green and low-carbon transition of the economy and society. SF actively responds to China's "Dual Carbon" strategy, leveraging technological innovation to unlock emission reduction potential and improve efficiency. We are transforming our green and low-carbon management capabilities into business competitiveness, systematically advancing the green transition across the entire logistics chain, and building a sustainable business model that addresses climate challenges. We are committed to creating a future-oriented sustainable logistics ecosystem and leading the industry toward a new stage of development characterized by low-carbon operations, high efficiency, and inclusivity.

- Leading the Low-Carbon Transition
- Developing Green Logistics
- Advancing Circular Economy
- Practicing Green Operations
- Protecting the Ecological Environment
- Addressing Climate Change



Leading the Low-Carbon Transition

SF is steadfastly committed to sustainable development and continuously advances its climate initiatives. We systematically set science-based carbon reduction targets and implementation pathways, using our digital "Fenghe Sustainability Management Platform" to deploy five core emission reduction pillars: green transportation, green industrial parks, green packaging, green technology, and circular supply chains. Through this integrated approach, we aim to lead the low-carbon transition of China's logistics and supply chain industry.

In 2025, the Company achieved a total greenhouse gas emissions reduction of **3,146,348** tons of carbon dioxide equivalent.

Green Transportation

Green Ground Transport

- Optimize our fleet mix and expand the green vehicle fleet.
- Replace vehicles with higher axle count models to increase loading capacity.
- Phase out vehicles with high fuel consumption and high emissions to reduce energy consumption and pollution.
- Pilot new energy vehicles (NEVs), including those powered by methanol, LNG, CNG, and hydrogen fuel.

Green Aviation

- Use sustainable aviation fuel (SAF).
- Increase the proportion of large cargo aircraft with low energy consumption and high energy efficiency.
- Apply fuel-saving technologies such as redispatch and route straightening.
- Continuously increase the proportion of NEVs in aviation bases.

Reduced **515,686** tCO_2e in carbon emissions

Green Industrial Parks

- Accelerated the construction of photovoltaic (PV) projects in our industrial parks to increase the share of clean energy in our energy mix.
- Enhanced the energy efficiency of lighting systems and deployed high-efficiency equipment, such as smart electrical cabinets.
- Launched an intelligent energy monitoring and management system to enable granular energy management and conservation.

Reduced **55,208** tCO_2e in carbon emissions

Green Packaging

- Adopted a comprehensive sustainable packaging strategy focused on plastic reduction, source reduction, material standardization, closed-loop recycling, and environmentally safe materials.

Reduced **649,514** tCO_2e of carbon emissions

Green Technology

- Digital Carbon Management: Standardized our carbon accounting and developed the industry's first waybill-level carbon calculation model.
- Intelligent Route Planning: Optimized transportation routes using advanced big data algorithms
- Smart Load Optimization Algorithms: Improved loading plans to reduce packaging material consumption.
- Digital Process Adoption: Fully adopted digital tools (e.g., electronic delivery receipts, photo-based proof of delivery, paperless reimbursement) to reduce paper consumption.

Reduced **1,920,194** tCO_2e of carbon emissions

Other Initiatives (e.g., the "SF Forest" project, PPE recycling-for-points programs, etc.)

- SF Forest: Planted over 10,000 mu (approx.667 hectares) of carbon-neutral forests in Hebei and Sichuan.
- PPE Recycling-for-Points Program: Encouraged frontline staff to extend the service life of safety workwear through a point-based incentive system, reducing resource consumption and fostering a circular economy.

Reduced **5,746** tCO_2e

Digital Carbon Management

SF continuously strengthens technological innovation, has developed a standardized carbon management system, and independently developed a supply chain digital carbon management system – the “Fenghe Sustainable Development Management Platform” (hereinafter referred to as the “Fenghe Platform”) – which features the industry’s first waybill level carbon emission calculation model. The Fenghe Platform and its accounting methodology have been verified against both the ISO 14083 international standard for logistics carbon accounting and the Global Logistics Emissions Council (GLEC) Framework 3.0. By linking multiple core SF business systems, including those for order processing, network planning, land transport, aviation, railway, packaging, and collection & delivery management, it integrates end-to-end data from packaging, transportation, transfer, and last-mile delivery. This enables the accurate calculation of carbon emissions for each waybill, achieving precise accounting and dynamic monitoring of the logistics carbon footprint. Internally, the Fenghe Platform supports the Group’s granular carbon management. Externally, it provides clients with carbon accounting, tracking, disclosure, and certification services for scenarios including logistics transportation, site energy consumption, and packaging material use, aiding the industrial chain’s transition toward a zero-carbon future.



The Fenghe Sustainable Development Management Platform Dashboard

In 2025, to further strengthen the professionalism, accuracy, and adaptability of carbon data management, the Company carried out a comprehensive iteration and upgrade of the carbon data infrastructure of the Fenghe Platform. By enhancing three core capabilities, we have established a more efficient, flexible, and standardized carbon management support system:

- Launched the “Fenghe Factor Library”, which integrates over 200 authoritative domestic and international carbon emission factors. Based on real transportation scenarios, it generates high precision and granular factors, and supports factor traceability and multi-dimensional comparison.
- Enabled user-defined carbon accounting models, offering the flexibility to adapt to diverse industries and business scenarios to meet a wide range of personalized carbon accounting requirements.
- Introduced a custom reporting function that can efficiently analyze billions of waybill data points. This aids in carbon footprint tracking and emission reduction target setting, thereby unlocking greater value from carbon data and enhancing management efficiency.

Relying on a standardized carbon management system, refined carbon accounting capabilities, and deep experience in the logistics sector, SF serves multiple industries including new energy, high-tech, apparel and footwear, consumer goods, and luxury goods. By the end of 2025, SF had delivered customized green, low-carbon supply chain solutions to over 300 leading brand customers across sectors, providing multidimensional carbon analytics covering emissions, carbon intensity, reduction impacts, hotspots, and breakdowns by process, product, and flow. These empower value chain partners in their low-carbon transition as the Company works with them toward a zero-carbon future.

SF Collaborates with an International Cosmetics Brand on Holistic Green Warehouse Transformation

A leading international cosmetics brand is committed to greening its end-to-end logistics chain. In 2025, building upon the industry benchmark – the "Single Inventory" logistics model – SF partnered with the brand to drive comprehensive green upgrades across its warehouse operations. The collaboration spanned full-link carbon emission management, green building certification, renewable energy application, and circularity, establishing a replicable model for green supply chain transformation in China's cosmetics sector.

Full-Chain Carbon Emission Management

Utilizing SF's self-developed Fenghe Platform, the Company enables precise accounting and management of the carbon footprint across warehouse operations and distribution services. This covers metrics such as the proportion of green electricity in warehouse consumption, B2B and B2C distribution, while delivering granular data on last-mile delivery emissions.

Green Building Certification

The warehouse is designed to meet the LEED O+M (Operations and Maintenance) Gold certification[6] standard, with a focus on optimizing energy and water efficiency alongside indoor air quality. This systematically validates green operational management and establishes a foundation for low-carbon warehousing.

Renewable Energy Application

The Company plans to deploy a distributed photovoltaic station on the warehouse roof, aiming to supply a substantial portion of its annual electricity from renewable sources. This will effectively reduce reliance on fossil fuels and cut absolute carbon emissions.

Green Refrigerant Replacement

After comparing the Global Warming Potential (GWP) of various refrigerants, the Company facilitated a full transition from R410A to more environmentally friendly refrigerants with lower GWP. This significantly mitigates the greenhouse impact of potential refrigerant leakage, reducing absolute emissions.

Exploring Pathways to Carbon Neutrality

For carbon offsetting, the model involves purchasing internationally recognized Green Energy Certificates (GEC) to offset emissions from electricity use. For carbon inserting, it incorporates the use of Sustainable Aviation Fuel (SAF) in air transportation, which can reduce Well-to-Wheel lifecycle carbon emissions by approximately 80%.



[6] LEED O+M (Operations and Maintenance) certification is a green building rating system developed by the U.S. Green Building Council (USGBC), specifically designed for existing buildings that have been in operation for more than one year.

Developing Green Logistics

SF integrates green development into its corporate strategy, advancing key carbon reduction initiatives including low-carbon transportation, green park development, and sustainable packaging innovation. This has enabled the Company to establish a green operational model that spans the entire logistics lifecycle, creating a sustainable logistics service system that delivers both ecological and operational efficiency. This approach provides a replicable and scalable paradigm for low-carbon transformation across the logistics industry and its value chain.

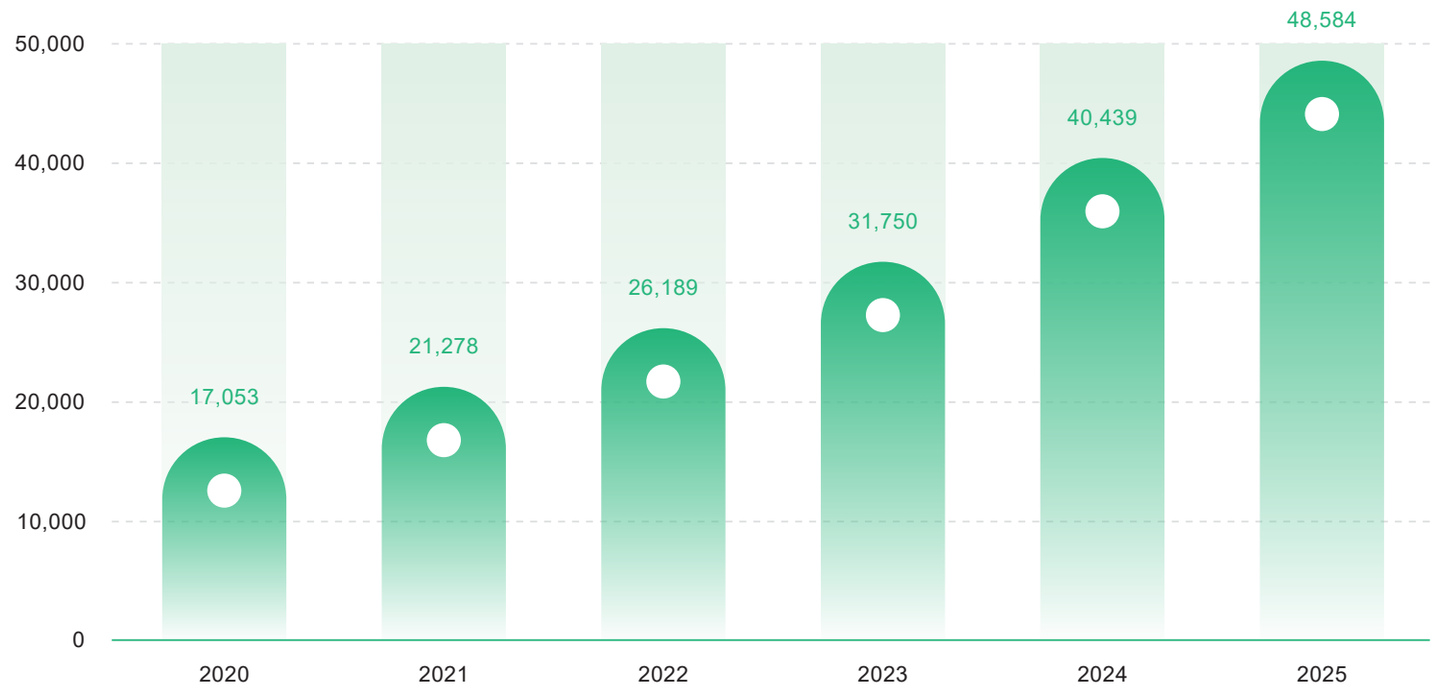
Green Ground Transport

The Company focuses on three key drivers: optimizing the fleet mix, enhancing management efficiency, and innovating transport models, to systematically advance green road transportation. In fleet development, the Company continues to expand the deployment and adoption of new energy vehicles (NEVs), driving the ongoing upgrade of its transport equipment. In operational management, the Company leverages digital and intelligent tools to achieve granular control over vehicle energy consumption and dynamic optimization of routes, thereby continuously improving both operational efficiency and environmental performance. In modal innovation, the Company actively develops intermodal transport, capitalizing on its synergy across different modes to extend comprehensive carbon reduction benefits from individual segments to the entire logistics chain.

Optimization of Transport Capacity Structure

SF steadily expands its green vehicle fleet through various means, including self-purchase and leasing, to gradually replace traditional fuel-powered vehicles and drive the green transition of its transport capacity. In 2025, the Company added over 8,000 NEVs to its operations. These are deployed primarily in diverse scenarios such as short-distance branch lines, connections, and last-mile pickup and delivery within cities, as well as on primary and secondary trunk lines across provinces. As of the end of the reporting period, SF had cumulatively deployed over 48,000 NEVs, with services covering 307 cities.

Number of NEVs of SF from 2020 to 2025 (Unit: vehicles)



cumulatively deployed over **48,000** NEVs

with services covering **307** cities



The Company has adopted a multi-technology pathway to decarbonize its freight transportation. Its strategy is informed by a systematic assessment of technology trends, maturity, infrastructure readiness, and the operational and economic feasibility in real-world scenarios. To build practical knowledge for a deep decarbonization of its fleet, it has initiated pilot operations of vehicles powered by methanol, liquefied natural gas (LNG), compressed natural gas (CNG), and hydrogen fuel on selected regional routes. In 2025, it deployed 8 methanol vehicles and 10 hydrogen fuel cell vehicles in locations including Xinjiang, Chengdu, Zhengzhou, and Hangzhou. Performance data from these pilots show that, compared to traditional diesel trucks, the methanol vehicles reduce carbon dioxide emissions by approximately 7%, while the hydrogen fuel cell vehicles achieve zero tailpipe emissions throughout their operation, underscoring their environmental benefits.

To extend its green transition across the value chain, the Company actively works with its carrier partners to increase the proportion of low-carbon vehicles in their fleets. Supporting this effort, it provides digital tools to enhance their sustainable logistics capabilities. A key initiative in 2025 was the launch of a digital energy management platform within its transportation system. This platform integrates charging infrastructure with dispatch operations, offering drivers of pure-electric trucks a streamlined, one-stop service for locating chargers and handling fee settlements via a dedicated electronic account for electricity fees. This solution is designed to lower operational barriers and accelerate the electrification of road freight.

Shunxinhui "X-Chain Plan": Accelerating the Electrification Transformation of Cold Chain Transportation

Shunxinhui is steadfastly advancing the green transformation of its cold-chain logistics. In 2025, it officially launched the "X-Chain Plan," an ecosystem initiative designed to connect vehicle manufacturers, energy service providers, financial institutions, and carriers. Its goal is to establish a collaborative platform for a new-energy cold-chain supply chain, accelerating the shift to electric vehicles in this critical transport segment.

As the plan's flagship project, the first batch of electric refrigerated trucks was deployed in Shanghai and the broader East China region. This deployment marks a significant expansion in application scope, from urban distribution to intercity transportation. These trucks are equipped with high-capacity, long-range batteries, which reduce energy consumption by approximately 50% compared to traditional fuel-powered models and are estimated to cut carbon emissions by around 3,000 tons annually. Featuring a dual-evaporator system for independent multi-temperature zone control, the trucks precisely meet the complex, multipoint, multi-temperature delivery requirements of the catering industry cold chain. Furthermore, they support rapid energy replenishment in approximately 18 minutes, significantly enhancing operational efficiency.

To ensure the long-term, stable operation and efficient full-life-cycle management of this fleet, Shunxinhui is working with its value chain partners to build a comprehensive support system. This system encompasses charging infrastructure, battery maintenance, and data integration. Through this collaborative ecosystem approach, Shunxinhui is driving the ongoing electrification of cold-chain transportation.



The delivery site of the first batch of NEVs under Shunxinhui "X-Chain Plan"

which reduce energy consumption by approximately **50**% compared to traditional fuel-powered models

estimated to cut carbon emissions by around **3,000** tons annually

Vehicle Energy Consumption Management

SF advances its green operations and low-carbon transportation initiatives through multiple integrated measures, including fleet energy management, the replacement of conventional fuel vehicles, fuel consumption control, and transportation route optimization.

Vehicle Energy Replenishment Management

With the large-scale deployment of NEVs in logistics operations, their mileage and usage frequency continue to rise, leading to rapidly growing demand for energy replenishment. To ensure broad coverage and a stable supply, the Company proactively integrates internal and external resources. Internally, it fully activates its own charging infrastructure and centrally connects all facilities to a unified charging platform for management. Externally, it deepens collaboration with multiple third-party charging service providers to build a more extensive and responsive energy replenishment network.

While consolidating this resource foundation, the Company continues to advance the integration and intelligent upgrading of its energy replenishment system. In 2025, the Company comprehensively launched the platform-based aggregation of three energy types: oil, electricity, and natural gas. All company-owned vehicles were integrated into the "Fengxingshunxiang Energy Platform," achieving centralized control and end-to-end data connectivity for the entire energy replenishment process. Powered by a digitalized and intelligent energy dispatch system, the platform enables precise matching with discounted energy options and intelligent planning of replenishment routes. This effectively enhances overall energy use efficiency and operational responsiveness.



Fuel Vehicle Fleet Renewal

Guided by its commitment to high-efficiency green operations and strict environmental standards, SF has established a robust mechanism for the lifecycle assessment and optimization of its fuel-powered fleet. The Company conducts comprehensive evaluations based on key metrics such as vehicle age, mileage, loading rate, and exhaust emissions, implementing a planned phase-out of vehicles that fail to meet its requirements for operational efficiency and environmental performance. To enhance fuel-use efficiency and reduce the environmental impact of emissions, SF undertakes multiple optimization initiatives in vehicle selection and renewal. These include upgrading cargo-carrying capacity, replacing high-axle models with more efficient alternatives, and optimizing fuel-inefficient vehicles through technical calibrations. In 2025, these efforts resulted in the replacement of over 1,400 traditional fuel-powered vehicles.

Increasing Cargo-Carrying Capacity

By replacing models with insufficient loading capacity, SF enhances transport volume per trip, reduces journey frequency, and improves the overall efficiency of its transportation resources.

Replacing High-Axle Models

The Company is progressively phasing out vehicles with a higher number of axles in favor of models with fewer axles that offer superior fuel economy and better environmental performance, thereby effectively reducing fuel consumption.

Optimizing High-Fuel-Consumption Models

For vehicles with high fuel consumption, SF implements technical measures such as fuel-consumption calibration and gear-ratio adjustment. Models that remain inefficient after optimization are phased out, leading to a comprehensive improvement in the fleet's overall fuel-utilization efficiency.

Early Phase-Out of Non-Compliant Vehicles

In strict adherence to the China VI emission standard, the Company proactively retires vehicles that fail to meet environmental requirements ahead of schedule, ensuring full compliance of its fleet.



Vehicle Fuel Consumption Monitoring

To continuously enhance the fuel efficiency management of its conventional fleet and reduce overall fuel consumption, the Company employs a dual strategy that integrates management enablement with concrete operational measures. At the management-system level, the Company has developed and implemented the *Lump-sum Fuel Consumption Plan for Commercial Vehicles*. The program establishes differentiated fuel consumption control standards and targets tailored to specific business scenarios and is supported by a comprehensive incentive and penalty framework, thereby balancing the dual objectives of efficient fuel utilization and optimized transportation costs. By 2025, this fuel consumption assessment mechanism had been rolled out incrementally in approximately 90% of the Company's operational areas. Fuel consumption KPIs were incorporated into the performance and compensation evaluation systems for frontline driver team leaders and fleet managers, effectively raising awareness and strengthening the execution of fuel-saving initiatives at the operational level.

To ensure the effective implementation of fuel-saving measures, the Company leverages its intelligent fuel-consumption management platform to precisely manage vehicle fuel use across multiple dimensions – such as actual measured consumption and driving behavior – and promptly addresses anomalies of high fuel usage. For driver training and enablement, it regularly conducts sessions on fuel conservation and emission reduction, has launched specialized courses for its self-operated fleet, and provides targeted training adapted to local conditions, thereby comprehensively strengthening drivers' fuel-saving awareness and skills.

Application of the Vehicle Fuel Management System

By periodically tracking progress against fuel-consumption targets, the system provides a scientific basis for fuel-management decisions, drives the implementation of these targets, and enhances the precision and effectiveness of fuel management. In 2025, the Company further iterated and optimized this system. By incorporating new business scenarios, it conducted enhanced fuel-consumption monitoring and analysis for different vehicle types, strengthened control over key consumption points, and extended fuel-consumption management requirements to the vehicles of its transportation capacity suppliers.

Development of a Driving Behavior Model

Leveraging big-data analytics, the Company has built a driving-behavior database covering key metrics such as idling duration and speeding frequency. This model analyzes the impact of driving behavior on fuel consumption to identify opportunities for energy-saving optimization.

Fuel-Consumption Data Analysis Tools

These tools identify and generate lists of high-fuel-consumption vehicles by analyzing factors such as routes, vehicle models, axle counts, and emission standards. This enables regional managers to strengthen oversight and provides robust support for fuel-consumption optimization efforts.

Management and Training Enablement

The Company continuously refines its fuel-consumption control measures by routinely sharing effective management practices – such as vehicle-renewal optimization, role adjustments, and structured learning sessions – in internal regular meetings. Furthermore, it regularly conducts fuel-management training and enablement activities and provides specialized guidance to regions lagging in achieving their fuel-management targets.

Transportation Routes Optimization

In the field of land transportation, SF leverages intelligent algorithm models to plan optimal cargo routes based on key factors such as delivery timeliness and distance. In 2025, the Company achieved a qualitative leap in this capability. Powered by the upgraded "Land Network Intelligent Planning System" as its intelligent decision-making core, which deeply integrates "expert agents + vertical-domain AI models" collaborative technology, the Company established a holistic, intelligent, and self-adaptive route-optimization framework. Beyond traditional decision-making factors, this system incorporates diversified metrics such as load factor, carbon-emission targets, and scenario-specific adaptability. Through a full-process control mechanism of "pre-shipment predictive planning, in-transit dynamic iteration, and post-shipment closed-loop optimization," the route-planning process has been elevated from merely "meeting demand" to proactively "anticipating demand," significantly enhancing the scientific rigor and contextual appropriateness of transportation routes.

Concurrently, the Company continues to deepen the application of its intelligent "people-vehicle-cargo-site" matching engine. This enables highly efficient and precise alignment between available capacity and shipping demands. The application has effectively increased vehicle load factors on key regional routes, significantly reduced the empty-load rate for cross-regional trips, and further accelerated delivery times within major economic corridors. By minimizing resource idleness, this approach delivers a dual enhancement of transportation efficiency and customer experience.

Development of Multimodal Transport

As a modern freight model that seamlessly integrates two or more modes of transportation to provide end-to-end service, multimodal transport has emerged as a core solution for optimizing transport structures, reducing logistics costs, and advancing the development of a green, low-carbon integrated transportation system. Its strengths lie in strong supply chain coordination, high resource efficiency, and significant overall benefits.

SF has established a comprehensive logistics network spanning multiple domains. In the air domain, the Company manages the largest cargo fleet in China and across Asia. In the land domain, it operates a substantial vehicle fleet and a dense trunk-branch line network. By further integrating resources such as high-speed rail, international block trains, and maritime shipping routes, the Company has built an integrated multimodal logistics system. In 2025, its air cargo volume reached nearly 2.8 million metric tons, rail freight exceeded 2.87 million metric tons, and sea freight shipment approached 1.15 million TEUs.

2025

Air cargo volume reached **2.8** million metric tons

Rail freight exceeded **2.87** million metric tons

Sea freight shipment approached **1.15** million TEUs

Concurrently, the Company actively collaborates with upstream and downstream partners along the industrial chain to explore innovative intermodal solutions, such as “truck-air,” “air-rail,” and “rail-rail” multimodal transport. By continuously optimizing transportation combinations and resource allocation, SF provides customers with faster, more economical, and greener logistics solutions, collectively contributing to a green and efficient modern logistics system.

Exploring the “Rail-Air Intermodal” Logistics Model to Support Low-carbon and Efficient Regional Logistics Development

In 2025, SF deepened its partnership with Qingtie Business to pilot an innovative “rail-air intermodal” logistics model by utilizing the off-peak capacity of Qingdao Metro Line 8. This model integrates several key functions – cross-sea subway connections, last-mile unmanned delivery, intermodal air transport, and two-way logistics operations – ushering in a new chapter in the integrated development of rail transit and logistics services.

By replacing certain road freight segments with a “subway + high-speed rail” combined transport solution, the Company effectively reduces the frequency of diesel truck usage, achieving significant annual carbon emission reductions in the rail-based logistics segment. Furthermore, by leveraging existing metro infrastructure rather than building new dedicated logistics channels, this intensive development approach aligns with circular economy principles. It provides a replicable “Qingdao Model” for the green transformation of the logistics industry, demonstrating how integrated planning can lower both environmental impact and resource consumption.



“Rail-Air Intermodal” – A New Model for Rail-Based Logistics

Green Aviation

SF Airlines is fully committed to the “dual control” of both total energy consumption and energy intensity, steadily advancing its green aviation initiatives. It has established a robust energy management organizational structure, clearly defining responsibilities and coordination mechanisms across departments to ensure effective implementation of energy management practices. Furthermore, the Company continuously incorporates advanced management concepts and technical measures, iteratively optimizing its energy management system. This enables a comprehensive drive toward energy conservation and emission reduction across air transport operations, integrating energy-saving and carbon reduction measures throughout the entire flight process.

SF Airlines’ Energy Management Structure

Energy Conservation and Emissions Reduction Leading Committee

- Oversees the work of the Energy Management Working Group.
- Reviews and evaluates the work plans and measures proposed by the Energy Management Working Group.

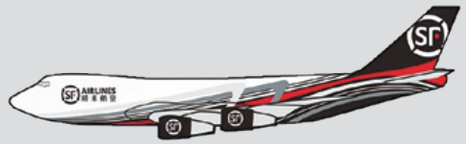
Energy Management Working Group

- Conducts statistical analysis of energy data, including aviation fuel, gasoline, diesel, gas, water, and electricity.
- Formulates specific energy management work plans and measures.
- Implements these energy management work plans and measures.
- Reports project progress regularly to the Energy Conservation and Emissions Reduction Leading Committee.

SF Airlines has continuously improved its energy management system and obtained dual certification under the ISO 50001 standard and the RB/T 104-2013 guideline for transportation enterprises, establishing a robust and efficient energy management framework. To ensure the authenticity, accuracy, and reliability of carbon emission data in air transport while meeting regulatory monitoring requirements, SF Airlines has established a routine third-party verification mechanism, engaging independent verification bodies annually to conduct rigorous assessments of its greenhouse gas emissions and issue authoritative verification reports. In 2025, SF Airlines successfully complied with the annual carbon emission verification conducted by the Civil Aviation Administration of China and the Ministry of Ecology and Environment, and proactively carried out energy conservation audits to identify energy-saving opportunities and drive continuous improvement in energy efficiency.

Fleet Composition Optimization

SF Airlines is driving the green transformation of its aviation operations by systematically optimizing the composition of its owned all-cargo fleet, building a modern, low-energy, high-efficiency, and low-emission “green fleet”. The Company prioritizes the introduction of widebody all-cargo aircraft, such as the 747 and 767. Compared to traditional narrowbody models, these newly introduced large freighters demonstrate higher carbon efficiency and lower fuel consumption per ton of payload under full-load conditions. As of the end of 2025, SF’s owned all-cargo fleet had grown to 90 aircraft.



B747 Model

Maximum payload: approximately 115t
Fuselage length: 70.6m
Range at full payload: 11,000km



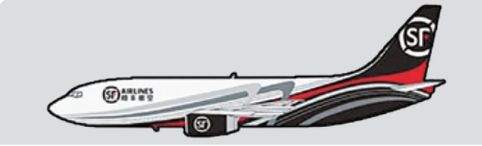
B757 Model

Maximum payload: approximately 30t
Fuselage length: 47.33m
Range at full payload: 5,000km



B767 Model

Maximum payload: approximately 56t
Fuselage length: 54.9m
Range at full payload: 6,000km



B737 Model

Maximum payload: approximately 14t/16t/23.9t
Fuselage length: 33.4m/36.45m/39.5m
Range at full payload: 3,500km/4,204km/3,750km

Aviation Fuel Management

Focused on fuel conservation in air transport, SF Airlines continuously evolves its fuel efficiency practices. Through measures including optimized flight levels, refined payload management, dynamic aircraft allocation based on forecasted payloads, implementation of a redispatch[7] strategy, route straightening, and timely shutdown of auxiliary power units, it works to minimize aviation fuel consumption.

International Routes Redispatch

On the premise of ensuring flight safety, the Company implements a redispatch strategy on international routes to precisely reduce contingency fuel requirements, thereby increasing payload capacity within safe and regulatory limits. In 2025, this fuel-saving technique saved approximately 1,600 tons of aviation fuel and reduced greenhouse gas emissions by 4,852 tCO_2e.

Route Straightening

By optimizing flight routes to reduce unnecessary detours and turns, flight distance is further shortened and fuel consumption lowered. In 2025, these measures saved approximately 2,530 tons of aviation fuel and reduced greenhouse gas emissions by about 7,672 tCO_2e.



To further enhance the fuel efficiency of its cargo aircraft fleet, the Company has embedded principles of operational excellence into its daily practices. This includes the full implementation of Electronic Flight Bags (EFB) to reduce onboard weight, the adoption of BC/CC (Base Coat/Clear Coat) lightweight aircraft coatings, and the enhancement of precision maintenance programs for aircraft equipment.

Implementation of Electronic Flight Bags (EFB)

The Company has fully transitioned to Electronic Flight Bags (EFB), digitally replacing all traditional paper-based materials such as aeronautical charts, flight manuals, and operational guides. This enables flight crews to complete the entire process of dispatch, inspections, and other procedures using tablets. This initiative significantly reduces onboard weight, directly contributing to the improvement of fuel-use efficiency.

Adoption of BC/CC Lightweight Aircraft Coatings

The Company's cargo aircraft use a new BC/CC lightweight dual-layer coating system. Through optimized formulation design, this system effectively reduces the dry-film density and thickness of the fuselage coating while ensuring required performance in corrosion resistance, weather resistance, and aerodynamics. Compared to traditional coatings, BC/CC coatings can significantly reduce the airframe's weight. In addition to improving fuel efficiency, this also reduces the amount of coating material required, offering both economic and environmental benefits.

Refined Maintenance of Aircraft Equipment

For core aircraft equipment such as engines, the Company has established regular maintenance practices, including cleaning and dust removal, to ensure optimal operating condition.

Strengthening Fuel Monitoring

The Company employs digitalization to continuously enhance the granularity of its fuel management. Through ongoing optimization and upgrade of its online fuel management system, it has established comprehensive, full-process dynamic monitoring and intelligent analysis of fuel consumption for every flight, thereby systematically improving fuel-use efficiency. This system is now fully integrated with dynamic data from key fuel-saving initiatives, such as redispatch on international routes and route straightening. It enables end-to-end tracking and real-time monitoring of fuel consumption from takeoff to landing, providing precise data support for the implementation of various fuel-saving strategies.

Furthermore, the system's flight profile optimization function uses advanced algorithms to intelligently adjust flight trajectories and speed parameters. This facilitates the integrated optimization of fuel consumption, flight duration, and emissions. By the end of 2025, this flight profile optimization capability had been successfully deployed on 21 routes, further enhancing the accuracy of fuel consumption forecasting.

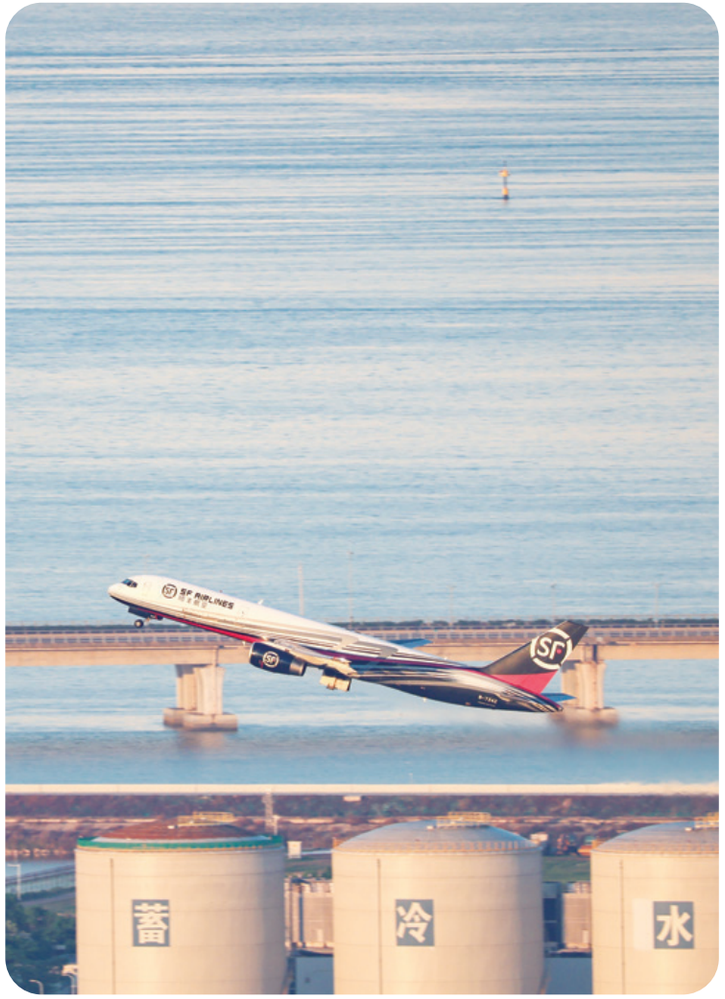
Enhancement of Fuel-Saving Incentive Programs

To encourage pilots and dispatchers to actively practice green flight operations while rigorously adhering to safety standards, the Company has enhanced its fuel-saving incentive program. This includes implementing a dedicated performance assessment system based on remaining fuel upon landing. Leveraging data from the online fuel management system, the Company has established a quantitative evaluation framework for this metric. It conducts quarterly statistical analysis and ranking of fuel-saving performance, granting special awards to teams and individuals with outstanding results. Through this targeted evaluation and positive reinforcement mechanism, the Company effectively encourages organization-wide participation in fuel conservation and emission reduction, driving tangible progress toward its green operational objectives.

[7] On the premise of ensuring the safe and normal operation of flights, the Company applies international fuel management policies rationally to reduce uplifted fuel and lower consumption through redispatch procedures.

Electrification of Vehicles at the Aviation Base

To achieve the goal of “100% electrification of all ground service vehicles and equipment at the aviation base by 2030”, the Company is systematically phasing out diesel and gasoline-powered vehicles and equipment. This initiative includes the active introduction of new-energy special-purpose vehicles, such as electrically powered conveyor belt trucks, lift platforms, and tow tractors. These efforts are accelerating the transition to a fully electrified ground fleet, contributing to the development of a cleaner, low-carbon transportation system for airport operations.



Progress of vehicle equipment electrification at various aviation bases in 2025

Shenzhen Base
The electrification rate of vehicle equipment reached **62%**

Ezhou Base
The electrification rate of vehicle equipment reached **53%**

Hangzhou Base
The electrification rate of vehicle equipment reached **17%**

Beijing Base
The electrification rate of vehicle equipment reached **34%**

Strive to achieve **100%** electrification of vehicle equipment in aviation bases by 2030

Aviation Pollution Prevention and Control

SF Airlines strictly enforces controls on pollutant emissions and noise, continuously mitigating the environmental impact of its operations. Regarding pollutant management, the Company has implemented standardized operating procedures for hazardous materials, such as waste engine oil generated during aircraft maintenance. These procedures specify comprehensive requirements for the segregated collection, storage, transport, and compliant disposal of waste streams including fuels, hydraulic fluids, and lubricants. Concurrently, the Company advances emission reduction in ground operations by promoting the use of Ground Power Units (GPU) over traditional fuel-burning Auxiliary Power Units (APU) and optimizing aircraft taxiing routes. These measures reduce engine idling time and lower exhaust emissions at their source.

In terms of noise abatement, SF Airlines continually refines its noise mitigation framework. This involves continuously optimizing takeoff, landing, and departure procedures, employing operational techniques such as reduced engine thrust and Continuous Descent Approach (CDA), and conducting regular noise monitoring and data analysis around airports. These combined efforts effectively lessen the impact of aircraft noise on surrounding communities.

Special Topic

Exploring Sustainable Aviation Fuel Application to Advance Industry-Wide Carbon Neutrality

Against the backdrop of global efforts to address climate change and promote the green transformation of the aviation industry, SF proactively advances the application of Sustainable Aviation Fuel ("SAF")[8], independently developed a blockchain-based digital monitoring platform for SAF, ensuring end-to-end traceability, verifiability, and immutability of data across the fuel lifecycle. This platform underpins SAF-integrated green aviation services offered to customers. Concurrently, SF is collaborating with partners to conduct joint research on the applicability and feasibility of SAF, undertaking in-depth exploration of its use cases and emission-reduction potential to foster new green service models within air logistics. In 2025, SF Airlines continued to expand its SAF-powered flight operations, extending coverage to multiple routes in the EU, Hong Kong (China), and four domestic airports in mainland China, with regular SAF adoption achieved on selected routes.

In 2025, the Company actively contributes to the development of the SAF industry ecosystem and actively participates in multiple industry seminars and exchange events. Together with government authorities, research institutions, and value chain partners, it held in-depth discussions on key topics such as SAF policy pathways, technology applications, and industrial collaboration. Through comprehensive and multi-level industry engagement, the Company stays connected to the forefront of global low-carbon aviation development, continues to build industry consensus and share practical experience, and takes concrete actions to promote the large-scale application of SAF and the green transformation of the aviation industry.

2025

March

In March 2025, SF formally entered into a master intent agreement for the purchase of Sustainable Aviation Fuel (SAF) with Sinopec (Hong Kong) Aviation Fuel Co., Ltd. This collaboration laid the foundation for long-term procurement of SAF meeting international sustainability certification standards. This milestone marks the official launch of the Aviation Carbon Neutrality Acceleration (ANA) initiative spearheaded by SF, achieving for the first time in China a closed loop for SAF from energy supply to commercial application. In the same month, the Company held its annual industry salon, engaging in in-depth exchanges with more than 50 globally renowned luxury brands on green aviation service models, highlighting SF's foundational capabilities, technological expertise, and the feasibility of its SAF solutions.

July

In July 2025, SF participated in the launch of the *Initiative on the Development of Sustainable Aviation Fuel (SAF)*, co-initiated by China Energy Engineering Group and multiple institutions including the International Air Transport Association (IATA). The Company also participated in launching the first international specialized committee under the Global Alliance for Sustainable Transport Innovation – the Sustainable Aviation Fuel Committee – contributing to the improvement of SAF industry standards, the commercialization of related technologies, and the market-oriented growth of the sector.



August

In August 2025, the founding conference and first general meeting of the China Sustainable Aviation Fuel (SAF) Industry Alliance – the first alliance in China to cover the entire SAF industry chain – was held in Chengdu. As one of the first 57 member organizations, SF Airlines completed the membership signing and officially became a member of the Alliance.





December

In December 2025, SF was invited to attend in the Seminar on Sustainable Development in Civil Aviation and Business Exchange on Sustainable Aviation Fuel (SAF), co-organized by the Civil Aviation Flight University of China and the North Asia Regional Office of the International Air Transport Association (IATA). Together with nearly 30 industry organizations, the Company explored three pathways to break through bottlenecks in SAF development in support of the aviation industry's 2050 net-zero goal: addressing industry challenges and improving production incentives, strengthening linkages with carbon markets, and fostering value chain collaboration.

November

In November 2025, SF participated as a logistics industry representative in a roundtable discussion on China's SAF development during the launch event for the report *Igniting the SAF Market: Policy Pathways for Scaling Up Sustainable Aviation Fuel in China*, hosted by the National School of Development at Peking University. The Company engaged in in-depth dialogue with sector experts on key topics including bottlenecks in the SAF industry, value chain collaboration, and medium- to long-term trends.

October

In October 2025, SF Airlines was invited to attend the 3rd IATA World Sustainability Conference, hosted by the International Air Transport Association (IATA) and co-organized by Cathay Pacific, where it explored with global industry partners pathways to achieving the aviation industry's net-zero carbon emissions target by 2050.

[8] During the reporting period, SF Airlines actively responded to the CAAC's *14th Five-Year Plan for Green Development of Civil Aviation* and the national "Dual Carbon" strategy by proactively advancing the commercial application of Sustainable Aviation Fuel (SAF), steadily promoting SAF refueling and commercial-flight demonstration operations. In 2025, SAF consumption accounted for approximately 0.15% of SF Airlines' total aviation fuel consumption.

Green Industrial Park

The Company continues to deepen the development of green and low-carbon industrial parks. Guided by green infrastructure development and innovation in carbon-reduction technologies, it integrates sustainability principles throughout the entire project lifecycle – from planning and design to engineering construction and smart operations. Through initiatives such as installing rooftop photovoltaics, deploying smart water and electricity management systems, and optimizing warehouse space layouts, it has significantly improved operational efficiency and energy conservation, achieving a synergy of economic and ecological benefits.

In 2025, SF's industrial parks in Shuangliu, Chengdu (Sichuan); Jinjiang, Quanzhou (Fujian); Changzhou (Jiangsu); and Tianjin were certified as "First-Level Green Warehouses" by the China Storage and Distribution Association (CSDA), further expanding its portfolio of green facilities. By the end of the reporting period, the Company had cumulatively operated 10 industrial parks with "First-Level Green Warehouse" certification. Its industrial park in Guizhou Province was recognized as a "Green Logistics Park in Guizhou Province". Furthermore, the Shunxinhui Hubei and Shunxinhui Tianjin Logistics Centers have both obtained carbon-neutral certification.



First-Level Green Warehouse Certification (Jinjiang)



First-Level Green Warehouse Certification (Changzhou)



First-Level Green Warehouse Certification (Chengdu)



First-Level Green Warehouse Certification (Tianjin)

Green Operation of Industrial Parks

SF integrates institutional standards with digital technologies across four key dimensions – smart energy consumption, operational efficiency, water resource utilization, and energy-saving equipment – to comprehensively enhance the environmental management capabilities of its industrial parks.

Smart Energy Consumption Management

The Company has established the *Industrial Park Energy Consumption Management System* and piloted power monitoring systems in parks such as those in Jiaxing and Wujiang, enabling real-time tracking of electricity usage and safety. Supported by smart meter-reading and power monitoring systems, park-level energy efficiency has improved significantly. By the end of the reporting period, smart water-electricity systems and power monitoring systems were operating in nine parks.

Operational Efficiency Improvement

To optimize park management, SF has deployed an intelligent property management system. The system includes newly developed core functions such as personnel tracking, intelligent monitoring, and cloud-synchronized inspection recording, which have been implemented across all operational parks to ensure efficient, safe, and sustainable operations.

Rainwater Recycling

The parks use permeable concrete technology to build a rainwater collection and recycling system, and the collected rainwater is used for greening irrigation, improving water resource utilization efficiency from the source. As of the end of the reporting period, rainwater recycling systems have been built and put into use in 18 of the Company's industrial parks, achieving remarkable water-saving results.

Installation of Energy-Saving Equipment

The Company continues to promote the installation of new energy charging piles to meet the green travel needs of customers. As of the end of the reporting period, 39 industrial parks have completed the construction of new-energy charging piles, with a total of more than 400 charging devices installed and more than 800 charging spaces provided.

Photovoltaic Projects in Industrial Parks

The Company continues to promote the construction of photovoltaic projects in industrial parks. It has formulated and implemented the *Management and Implementation System for Photovoltaic Projects in Industrial Parks*, established a full-life-cycle management specification covering site selection, construction, and operation, strictly controlled supplier qualifications, investment and construction standards, equipment and material quality, and operation and maintenance requirements, and accelerated the increase in the proportion of renewable energy use.

As of the end of 2025

the Company had **44** PV projects in operation or under construction in its industrial parks, with a total installed capacity of **179** megawatts (MW). Among these, **26** projects are already operational, generating over **100,000** megawatt-hours (MWh) of clean energy annually, which further supports the transformation and upgrading of the Company's energy mix.



Green Packaging

SF continues to deepen its focus on green packaging, concentrating on cutting-edge packaging technologies while continuing to increase its R&D investment in sustainable packaging materials. By enhancing material performance, overcoming technical constraints, and expanding application scenarios, the Company has established an end-to-end solution centered on source reduction, circularity, environmentally safe materials, and standardization in packaging, setting an industry benchmark for sustainable packaging practices.

Reduced Packaging

The Company focuses on upstream strategies of packaging reduction and standardization, promoting packaging technology innovation and material conservation through both management implementation and technological empowerment.

At the Management Level

The Company strictly implements the *SF Packaging Operation Standard*, conducts special governance for overpackaging, formulates a standardized packaging operation manual covering all categories of consignments, and promotes the principle of green packaging to run through the entire operation process. In 2025, the Company completed the iterative upgrade of the standard to provide more refined guidance for frontline operations.

At the Technological Level

Leveraging its smart packaging service platform, the Company has integrated data flows from courier terminals, enabling real-time feedback and continuous iteration of packaging solutions. The platform provides intelligent guidance to standardize packaging for different types of shipments, reducing overpackaging at the source. In 2025, the platform was upgraded to streamline packaging options and introduced a collection of industry-specific packaging solutions, making them more aligned with sector needs. The platform also functions as a packaging carbon accounting interface, creating individual carbon accounts for customers participating in circular programs and enabling visual management of the carbon footprint in the packaging use phase.

Centering around the “Fengjing Plan”, the Company has conducted innovative R&D to reduce, standardize, and optimize materials such as plastic film, tape, paper, and seals for different scenarios. Through lightweight design and material structure optimization, the Company has effectively reduced the consumption of plastics and virgin paper. In 2025, through a series of packaging source reduction measures, SF reduced virgin paper use by approximately 46,000 tons and plastic use by about 35,000 tons, achieving a total carbon emission reduction of approximately 130,000 tons.

2025

- **46,000 tons** Total annual reduction in virgin paper usage
- **35,000 tons** Total annual reduction in plastic usage
- **130,000 tons** Total annual greenhouse gas emissions reductions achieved through reduced packaging

Source Plastic Reduction: Carbon Reduction Practice of Lightweight Plastic Bags

In 2025, the Company advanced its green transition in express packaging with a focus on reducing plastic use at source. This involved a lightweight upgrade of conventional packaging plastic bags, transitioning the specification from 5 microns to 4 microns.



Lightweight Packaging Plastic Bags

Through this material lightweighting initiative, plastic consumption was reduced from the outset.

By the end of the reporting period, this lightweight plastic bag had been fully deployed in four specifications at scale, with a cumulative distribution of 1.67 billion units. Compared to the original specification, the average weight per bag was reduced by approximately 3 grams. Leveraging the effect of large-scale application, the cumulative reduction in plastic raw material consumption for the full year of 2025 exceeded 4,500 tons, corresponding to a carbon emission reduction of over 15,400 tons of CO_2 equivalent.



Reusable Packaging

SF deeply integrates diverse business scenarios to continuously develop modular, reusable packaging containers suitable for multiple applications. The Company is progressively establishing a digital and intelligent management system covering the entire lifecycle of these containers. By introducing RFID technology, building intelligent allocation models, and exploring centralized cleaning systems, SF has comprehensively enhanced internal management and circular operation efficiency. Concurrently, the Company has refined the processes for takeback and end-of-life treatment to ensure the orderly recycling and regeneration of materials after their useful life.

Focusing on diverse customer needs and industry-specific characteristics, the Company has developed and deployed a range of specialized reusable packaging containers. These include reusable woven bags, pharmaceutical temperature-controlled boxes, Feng E reusable boxes, and reusable pallet boxes. In 2025, the Company deployed a total of 20.55 million reusable packaging containers, including 12.24 million newly added units. It iteratively optimized over 15 product categories, and the annual cumulative reuse count exceeded 1.6 billion times, contributing to an estimated carbon emission reduction of approximately 520,000 tons.

Pharmaceutical Temperature-controlled Box

SF innovatively applies reusable temperature-controlled boxes in pharmaceutical transportation, replacing traditional disposable foam boxes with eco-friendly materials and advanced temperature control technology. Each use can reduce carbon emissions by over 5,800 grams[9]. In 2025, the Company continued its iterative R&D, developing seven industry-leading reusable temperature-controlled box models and securing five national patents. By the end of the reporting period, over 53,000 pharmaceutical temperature-controlled boxes had been deployed, achieving more than 880,000 reuses.



SF Pharmaceutical Temperature Cold Chain Controlled Box

Feng E Reusable Boxes

The Cold Chain Feng E Reusable Boxes feature lightweight construction, compression resistance, non-toxicity, and environmental friendliness, offering comprehensive advantages over traditional white foam boxes and providing a safer, more sustainable packaging solution for cold chain logistics. In 2025, the Company completed an iterative upgrade to the boxes, which included an optimized exterior design, the addition of an opening instruction card, and an integrated RFID chip at the top. These enhancements have significantly improved operational convenience and intelligent management. In 2025, these boxes helped customers achieve a 48% substitution rate for white foam boxes. By the end of the reporting period, approximately 1 million cold chain reusable boxes had been deployed across relevant scenarios, accumulating over 34 million reuses.

In 2025, SF's practice of utilizing cold chain reusable boxes was included in the *50 Exemplary Cases of 'Integrated Transportation'* published by the China Communications and Transportation Association, gaining authoritative industry recognition.



Freight Transportation Scenarios

Reusable Pallet Boxes

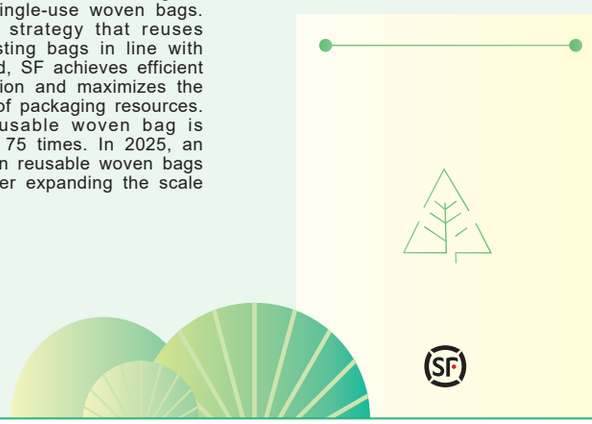
Made from 100% reusable PP/PE materials, these boxes offer strong compression and impact resistance. Their nail-free design reduces the risk of workplace injuries and decreases reliance on traditional wooden frames, crates, and pallets for industrial freight and irregular items. By the end of the reporting period, over 1.17 million reusable perimeter board boxes had been deployed, with a cumulative total of more than 13 million reuses.

Reusable Honeycomb Panel

Composed of 97% reusable PP material, these boards offer outstanding impact resistance and can replace protective air cushions or honeycomb cardboard used for items like televisions. By the end of the reporting period, over 130,000 reusable honeycomb boards had been deployed, with a cumulative total of more than 830,000 reuses.

Reusable Woven Bags

At transit hubs, the Company has fully promoted the use of reusable woven bags to replace traditional single-use woven bags. By implementing a strategy that reuses and reallocates existing bags in line with network-wide demand, SF achieves efficient centralized coordination and maximizes the utilization efficiency of packaging resources. Currently, each reusable woven bag is used an average of 75 times. In 2025, an additional 7.11 million reusable woven bags were deployed, further expanding the scale of their application.



[9] In 2025, SF implemented an enhanced life-cycle assessment (LCA) approach, providing a more complete picture of the carbon reduction impact across its product portfolio.

SF x Freshjoy: Cold Chain 'Feng E Reusable Boxes' Enhance the Fresh Milk Cold Chain

To meet the higher requirements for timeliness, freshness preservation, and safety in the cold chain transportation of low-temperature fresh milk, SF partnered with Freshjoy, a premium fresh milk brand under Junlebao, to deploy the SF Cold Chain Feng E Reusable Boxes at scale. Traditional white foam boxes, with their insufficient strength and high susceptibility to damage, often led to temperature loss during transit and product deterioration, resulting in increased product loss and a diminished consumer experience. In contrast, the Feng E Reusable Boxes are manufactured using food-grade EPP material and a physical foaming process. They offer distinct advantages such as being odorless, heat-resistant, and highly antibacterial, which collectively ensure stable temperature control and preserve product quality throughout the entire logistics journey.

Since adopting the SF Cold Chain Feng E Reusable Boxes, the client has achieved significant reductions in transportation damage and temperature deviation issues. In 2025, Freshjoy utilized these boxes over 15,000 times daily on average, leading to an estimated reduction of approximately 11.7 tons of carbon emissions per day. This initiative has successfully delivered a dual win: enhanced product quality alongside tangible progress in green development.



SF Cold Chain 'Feng E Reusable Boxes'

To ensure the efficient implementation of the reusable packaging management system, the Company has established a special incentive mechanism for employees and carried out systematic training.

Employee Incentives

- Rewards are given based on the effective number of uses of freight reuseable packaging materials to motivate employees to use reusable packaging materials actively.
- Multiple rounds of activities to collect suggestions on packaging materials have been carried out. Suggestions for packaging optimization are collected from all employees, and honorary rewards and point incentives are given to the winners of excellent suggestions.

Employee Training

In 2025, the Company organized 36 training sessions on packaging solutions for relevant departments. Through systematic instruction, hands-on exercises, and case study analysis, these sessions equipped personnel with a comprehensive understanding of standardized packaging procedures, design principles, and practical implementation cases, thereby strengthening their professional competency in deploying packaging solutions and addressing related challenges. Additionally, 30 specialized training sessions on reusable packaging were conducted for frontline staff throughout the year, enabling them to master the proper handling of reusable packaging materials and supporting the lean management of such materials across all operational regions.



Recycled Packaging

To achieve the goal of “achieving 100% conversion of standard plastic bags to recycled plastic bags by 2030”, the Company has been continuously advancing recycled plastic packaging technology. By promoting “Double-Easy” (Easy to Recycle and Recover) plastic bags, it is driving the transformation of plastic packaging from “single-use” to a “closed loop of recycling and recovery.” The “Double-Easy” plastic bags use a single plastic material to enhance the back end recycling value and are blended with 30% post-consumption recycled plastic (PCR) in the raw materials. On the premise of meeting national standard mechanical properties, we achieve plastic reduction and carbon emission reduction. It is estimated that a single “Double-Easy” plastic bag can reduce the use of virgin plastic by 30% and reduce carbon emissions by about 10 grams per use, taking into account both performance and environmental benefits.

In 2025

the Company accelerated the promotion and application of “Double-Easy” plastic bags. Approximately **178** million of these bags in **three** specifications were put into use in regions such as Beijing and northern Zhejiang, reducing the consumption of virgin plastic by over 10,000 tons and corresponding carbon emissions by approximately **1,780** tons.



Biodegradable Packaging

The Company is actively advancing the research and development of biodegradable packaging materials. Through collaborations with external research institutes and universities, pilot projects have been conducted across multiple scenarios to verify the practicality and feasibility of various biodegradable materials. By the end of 2025, the Company had distributed hundreds of millions of fully biodegradable “Feng Bags”, establishing a benchmark for the large-scale application of biodegradable green packaging.

The Company continues to strengthen industry-academia-research collaboration. In 2025, it participated in industry seminars on topics such as biobased and biodegradable material technologies and applications, as well as biodegradable bamboo film bags for mail and express packaging. Through these engagements, the Company stays abreast of cutting-edge technological trends, promotes knowledge exchange and experience sharing, and accelerates both the technological iteration and commercial adoption of biodegradable packaging materials.

Green Packaging Standard Development

The Company continues to invest in fundamental research, collaborating with multiple universities and institutions in industry-academia partnerships. It has established an expert resource pool and conducted extensive studies in key areas such as functional packaging technologies, fresh produce preservation and temperature control, green technologies, packaging carbon footprint assessment, and packaging standardization. These efforts address existing gaps within the industry.

Standard Formulation

In 2025, the Company participated in the compilation and officially released six national and industry standards, including *Quality Control Requirements for the Sale of Fruit and Vegetable Products (GB/T45624-2025), Construction and Operation Specifications for Cold Chain Collection and Distribution Centers in Agricultural Product Origins* (GH/T1485-2025), *Quality Specifications for Urban and Rural Distribution Services* (SB/T11251-2025), *Storage and Refrigerated Transportation of Cucumbers* (GB/T18518-2025), *Simple Controlled Atmosphere Cold Storage Technology for Garlic Sprouts* (GB/T8867-2025), and *Technical Specifications for the Harvesting, Storage, and Transportation of Bamboo Shoots* (NY/T4704-2025). These standards clarify the quality control requirements at the origin of agricultural products and provide standardized support for regulating the circulation of agricultural products and reducing logistics losses.

Standard Training

The Company played a leading role in drafting the standards *Requirements for Restricting Excessive Packaging of Express Deliveries* (GB45186-2024) and *Basic Requirements for Express Packaging of Fresh Products* (YZ/T0194-2024). Subsequently, it was invited by entities including the Beijing Municipal Administration for Market Regulation and the Policy and Regulation Department of the State Post Bureau to conduct training sessions on these standards.

Packaging Testing

The SF Packaging Laboratory and Testing Center possess comprehensive testing capabilities, covering 45 packaging categories, over 140 testing standards, and 400 test items. It has been accredited as one of the industry's first "Green Packaging Technology R&D Centers in the Postal Sector" and holds certification from the International Safe Transit Association (ISTA).

Packaging Research

In 2025, SF, in collaboration with Zhejiang University, successfully passed the annual milestone review for the national key project *Demonstration and Application of Cold Chain Logistics and E-commerce Distribution for High-Value Fresh Agricultural Products* under the 14th Five-Year Plan. The outcomes of this project are expected to further enhance the synergy between cold chain logistics and e-commerce distribution for fresh agricultural products, providing a replicable model for the industry's green and standardized development.



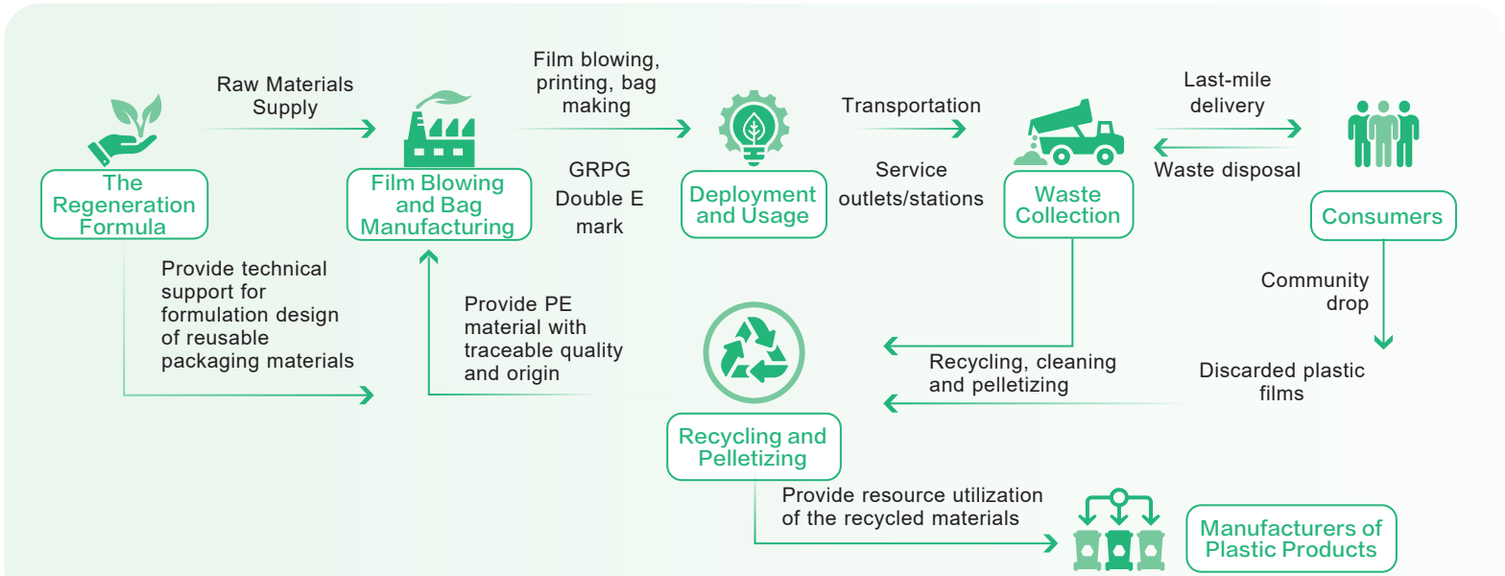
SF Packaging Laboratory and Testing Center



Advancing Circular Economy

Leveraging its integrated resources, SF collaborates with partners across the value chain to establish a closed-loop packaging recovery and recycling system. This initiative provides a practical blueprint for advancing the circular economy within the logistics industry. The Company is driving the full-cycle validation and implementation of a closed-loop system – spanning the establishment of industry standards, technological research, and the actual recovery and recycling of express packaging. By continuously refining plastic recycling processes, SF is committed to building a comprehensive lifecycle system encompassing “design, production, consumption, collection, recycling, and high-value application” to minimize the environmental footprint of express packaging.





Express Easy-to-Recycle and Easy-to-Recover Packaging Recycling System

Standard Establishment

In collaboration with the Green Recycled Plastics Supply Chain Joint Working Group (GRPG) and upstream and downstream partners across the value chain, SF jointly developed and released the group standard *Implementation Rules for the Evaluation of Easy-to-Recycle and Easy-to-Recover Design of Plastic Packaging – Plastic Film Express Packaging Bags and Inflatable Cushioning*. This standard specifies the evaluation index system and assessment methods for the easy-to-recycle and easy-to-regenerate design of plastic film express packaging bags.

In 2025, SF participated in the drafting of the national standard *General Rules for the Evaluation of Easy-to-Recycle and Easy-to-Recover Design of Plastic Products*, which has now entered the approval stage and is awaiting release. Through this progressive practice of advancing from a group standard to a national standard, the Company further advances the standardized and systematic development of easy-to-recycle and easy-to-regenerate design for plastic packaging.

Technological Innovation

SF has also worked with upstream and downstream partners to tackle technical challenges in express packaging, successfully developing “Double-Easy” (Easy to Recycle and Recover) plastic bags. These bags incorporate up to 30% post-consumer recycled (PCR) resin while maintaining excellent mechanical properties, comply with national standards for express bags, and enable the value of single-material, easy-to-recycle design.

Practicing Green Operations

SF adheres to the concept of green development, centered on environmental friendliness and resource conservation as the core. It deeply integrates the low-carbon concept into all aspects of its operation, continuously strengthens the environmental management system, scientifically allocates resources, strengthens emission control, deepens employees' awareness of environmental protection, jointly builds a green office ecosystem, and creates a resource-saving benchmark enterprise.



Improving Environmental Management System

The Company strictly complies with all applicable environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution*, and continuously strengthens its Environmental Management System to ensure comprehensive environmental compliance in its business development. It has formulated and implemented the *Regulations on the Identification and Evaluation of Environmental Aspects*, which systematically standardize the environmental aspect identification process, clarify scientific evaluation principles, and enforce stringent controls throughout the lifecycle of significant environmental aspects identified in the *Environmental Aspect Identification and Evaluation Form*. Focusing on potential environmental risks in business operations, the Company conducts regular risk assessments, develops and implements preventive measures, and continuously refines its emergency response mechanism for environmental incidents. This ensures the rapid and efficient handling of sudden environmental events and enables comprehensive environmental risk prevention and control.

The Company has established the *SF Environmental Management Policy* to ensure that environmental protection measures are proactively embedded into daily operations, reducing environmental impact and faithfully upholding its commitment to sustainable development and green operations. During the reporting year, no major environmental incidents occurred, and the Company did not receive any significant administrative penalties for environmental issues.

SF's Commitment in Environmental Protection

- Strictly abide by all applicable environmental-related laws, regulations, and industry regulations in the places 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 in the Company during the implementation of environmental policies to ensure the effective implementation of the policies.
- Actively adopt diverse energy-saving and environmental protection measures for different business scenarios to minimize the environmental impact of all operational activities and improve the Company's environmental and energy performance.
- Be committed to setting and continuously optimizing specific goals and indicators in the fields of water resource management, waste disposal, and energy utilization to reduce the negative impact on the environment and promote environmentally friendly operations.
- Actively communicate and cooperate with partners, customers, and other stakeholders in the value chain in environmental protection and be committed to enhancing stakeholders' understanding and recognition of the Company's environmental management work.
- Actively organize environmental protection education and training to ensure that employees understand the specific impacts of their daily work activities on the environment and enhance their environmental awareness and sense of responsibility.

The above commitments shall be supervised by the Board Strategy Committee/Sustainable Development Leading Group to ensure their implementation.

The Company has established a comprehensive environmental management system and has actively advanced the development of an energy management system. As of the end of the reporting period, the coverage rate of ISO 14001 environmental management system certification in the Company's main business segments reached 100%. All segments have completed the establishment and operation of the system through core operating entities and obtained certifications.

Energy Utilization

Improving energy utilization efficiency and transitioning to clean energy are not only the key paths to reducing environmental load but also the core driving force for the logistics industry to achieve green and low-carbon development. Energy utilization has gradually evolved from a traditionally overlooked operating cost to a key consideration factor with both risks and opportunities, profoundly affecting the Company's business model, daily operations, cost control, and long-term strategy.

By integrating with its business characteristics, the Company explores energy-saving potential in every operational link and continuously optimizes its energy management system. By adjusting the energy structure, reducing fossil fuel consumption, and exploring clean energy applications, the Company is advancing the green and efficient transformation of energy.

Governance

The Company strictly adheres to relevant laws and regulations, including the *Energy Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, while continuously enhancing its energy management system. It deeply embeds energy utilization within its ESG governance to ensure alignment with the Company's sustainable development strategy.

The Board Strategy Committee, serving as the decision-making body for sustainability oversight, actively engages in the discussion and analysis of key topics such as improving energy efficiency and advancing the clean energy transition. It identifies relevant risks and opportunities in energy management and drives the formulation and implementation of energy-related strategies and targets across the organization. At the operational level, key business units responsible for energy management develop internal rules and procedures tailored to their operational contexts, in line with the Company's overall energy strategy and objectives. To ensure effective execution, these units regularly report progress on energy management targets to senior management, enabling timely strategy adjustments and supporting the efficient delivery of energy management initiatives.

Strategy

In line with the global trend of green development and energy transition, the Company, based on its own business layout and operational characteristics, comprehensively identifies and assesses potential risks and opportunities related to energy utilization from multiple perspectives such as level of impact and time dimension through industry research and communication with stakeholders. It deeply analyzes the characteristics of energy consumption structure and optimization paths to provide strong support for formulating a scientific, reasonable, and development-oriented energy management strategy.

Type of Risk/Opportunity		Time Range	Potential Financial Impact	Countermeasures
Transformation Risks	Policy	Short term Mid term Long term	• Amid global efforts to address climate change, energy regulations are tightening, and energy-efficiency standards are continually rising. This may require the Company to invest additional resources in optimizing its energy mix and improving utilization efficiency, which could increase compliance and operational costs to some extent.	• Develop and apply green technologies to enhance quality, efficiency, and energy conservation across the entire supply chain. For details, refer to the "Technology Application" section under Services. • Dynamically monitor trends in domestic and international energy management policies and regulations. A dedicated team regularly tracks policy updates and industry standard developments to identify trends and enable proactive planning. • Conduct specialized training on energy conservation and consumption reduction, and implement incentive programs in key areas such as fuel and energy savings to continuously raise employee engagement and accountability in energy conservation.
	Market	Short term Mid term Long term	• Fluctuations in the market prices of clean energy (including Sustainable Aviation Fuel and green electricity) and fossil fuels (such as gasoline and diesel) may create pressure on cost control in transportation and warehousing operations.	• Actively expand the application of clean energy such as solar and hydrogen, accelerating the development of a secure, efficient, and scientifically sound integrated energy supply system to reduce dependence on any single energy source. • Closely follow energy market trends and adopt a multi-channel, multi-source procurement strategy. Energy suppliers are selected based on a comprehensive evaluation of price competitiveness, quality stability, supply reliability, and sustainability to ensure continuity and cost-effectiveness of energy supply.
Opportunity	Products and services	Short term Mid term Long term	• Against the backdrop of rapid growth in industries such as new-energy vehicles and solar photovoltaics, demand for green, low-carbon logistics continues to rise. This presents significant opportunities for the Company to expand into new business areas and increase revenue scale.	• In line with operational realities and site conditions, steadily advance the construction and expansion of distributed photovoltaic projects in industrial parks, promoting the green electricity model of "self-consumption with surplus fed into the grid." • Proactively deploy new energy technology applications, systematically assess development trends in areas such as Sustainable Aviation Fuel and new energy vehicles (NEVs), actively explore their use in aviation and land transportation operations, and continuously optimize the Company's low-carbon transportation system.
	Resource Efficiency	Short term Mid term Long term	• By continuously advancing technological innovation, improving the energy-management system, and deepening lean operational practices, the Company can not only reduce day-to-day operating costs but also uncover new value-creation opportunities through energy-structure optimization and improved resource utilization. This lays a foundation for enhancing long-term financial resilience and expanding green revenue streams.	• The Company continues to develop and implement its energy management system. Using digital tools, it achieves granular control and dynamic optimization of energy consumption, unlocking deeper energy saving potential. At the same time, through a well-designed internal incentive mechanism, it fully mobilizes employee initiative and enthusiasm for energy conservation, effectively raising overall energy utilization efficiency and translating green operations into a lasting competitive advantage.

Impact, Risk and Opportunity Management

The Company deeply embeds ESG risks, including those associated with energy use, into its enterprise-wide risk management framework. It has established a comprehensive end-to-end management mechanism covering the identification, assessment, control, and monitoring of energy-related risks. This forms a closed-loop risk management process of "risk environment analysis → risk control objective setting and risk identification → risk assessment → risk response → monitoring and improvement," ensuring that energy-related risks are fully identified, effectively managed, and disclosed in accordance with standards.

The Board Risk Management Committee, serving as the ultimate oversight body for risk governance, is responsible for identifying, preventing, and monitoring ESG-related risks – including those tied to energy use – and for formulating corresponding response strategies. The Risk Committee, operating under the Board Risk Management Committee, reviews the risk management framework, policies, procedures, delegations of authority, and major risk prevention and mitigation measures, which encompass energy-related risks. To effectively implement these measures, the Company drives continuous enhancements to the energy management systems within all key business units, based on actual operational conditions, ensuring that energy management activities are carried out in a structured and orderly manner.

Risk Environmental Analysis	Monitor and analyze the changes in the internal and external environment brought about by energy utilization efficiency, energy transformation, and other related factors.
Risk Control Objective Setting and Risk Identification	In combination with the risk control targets set at the Company level, identify and sort out the risk list related to energy.
Risk Assessment	Based on the probability of the occurrence of energy-related risks and their impact on the Company's goals, prioritize the identified risks and determine those that require close attention and priority control.
Risk Response	The Board considers factors such as the risks and benefits brought about by energy transformation, brand reputation and social responsibility. Based on risk analysis, it will review and formulate effective risk response plans.
Supervision and Improvement	Continuously track, monitor and manage the handling of energy-related risks. In daily work, continuously optimize energy management capabilities by strengthening the use of clean energy and improving energy efficiency.

To effectively respond to energy utilization risks and seize the opportunities of low-carbon transformation, the Company takes energy conservation and consumption reduction as the core of green operations, systematically promotes normalized energy-saving measures in daily office and business operation scenarios, continuously optimizes the energy consumption structure and reduces resource consumption.

Clean Energy Adoption

- Fleet Structure Optimization: The Company is actively advancing the large-scale deployment and operational strategy for new-energy vehicles, steadily expanding its green fleet, phasing out traditional fuel-powered transport units, and promoting an orderly transition toward a greener transport structure.
- Green Industrial Park Development: Continuous investment and application in renewable energy are prioritized, including systematic rollout of rooftop photovoltaic power stations. The scale of clean energy usage was steadily expanded through multiple channels such as procurement of green electricity and renewable energy certificates. In 2025, the Company's industrial parks generated over 100,000 MWh of photovoltaic electricity. Parks in Chengdu Shuangliu, Urumqi (Xinjiang), Zhongshan, and Foshan have signed green power direct-purchase agreements with new-energy electricity retailers, consuming over 42,000 MWh of green electricity across these sites during the year.

Energy-Saving Equipment Renovation

- Site Lighting Optimization: For lighting in public areas, energy consumption is reduced by installing smart motion sensors and upgrading to energy-efficient luminaires. By the end of the reporting period, the Company had deployed over 117,000 sets of customized high-efficiency energy-saving lights across its national facilities during construction and operational maintenance. These lights achieve an energy-saving rate of 31%, contributing to cumulative electricity savings of over 13 million kWh.
- Smart Power Distribution Deployment: Intelligent power distribution systems have been installed in transfer centers and service outlets. Through real-time electricity data collection and analysis, power wastage during idle periods is identified. Combined with site-specific shift schedules, automated timing controls supported by manual intervention mechanisms are implemented to reduce unnecessary consumption. In 2025, 4,254 smart power distribution units were deployed, achieving annual electricity savings exceeding 17 million kWh.

Energy Monitoring and Management

- Smart Metering for Office Energy Use: Smart energy meters are installed in office spaces to enable dynamic collection and real-time monitoring of electricity consumption data. Data analytics help pinpoint inefficiencies and support the formulation of targeted energy optimization plans.
- Vehicle Fuel Management System: Using an intelligent fuel consumption management platform, vehicle fuel use is accurately monitored across multiple dimensions such as actual consumption and driving behavior. Excessive fuel consumption is promptly addressed.
- Aviation Fuel Digital Management System: An online fuel management system has been established to dynamically monitor and manage fuel consumption for each flight, enhancing fuel-use efficiency.

Office Equipment Energy Conservation

- Energy-efficient computers, printers, and other office devices are widely deployed. Equipment quantities are optimized based on actual operational needs to reduce standby power consumption. A strict electricity-use policy requires employees to power off equipment when not in use for extended periods and to unplug chargers after devices are fully charged, avoiding energy waste and the safety risks associated with overcharging.

Specialized Energy Conservation Training

- Targeted training sessions are conducted for departments involved in energy management through in-person workshops, case studies, and experience sharing, aimed at raising employee awareness of energy conservation. In 2025, the Company organized energy-saving workshops in industrial parks in cities such as Changchun and Tianjin. These sessions covered practical energy conservation and emission reduction measures for park operations, as well as specialized knowledge on efficient energy use, strengthening participants' professional understanding of energy management and enhancing both awareness and skills in energy conservation.



Metrics and Targets

The Company consistently regards energy management as a critical driver for achieving its strategic sustainable development goals and a key pathway to leading the green transition towards a low-carbon future. It is committed to continuously reducing energy consumption through technological innovation, actively expanding the application of renewable energy, accelerating the phase-out of fossil fuels, and systematically optimizing its energy structure. Based on its operational realities, the Company has established an indicator system centered on high-efficiency energy use. It sets scientifically grounded energy-management targets across dimensions such as clean energy application and green transportation, conducts regular comprehensive assessments of energy utilization performance, and ensures the efficient achievement of these targets through a closed-loop management process of dynamic monitoring, review and optimization, and implementation of corrective measures.

Metrics	Progress in 2025	Short- and Mid-Term Future Plans / Goal Setting
Clean Energy	By the end of 2025, the Company had operationalized 26 photovoltaic projects across its industrial parks, with a total installed capacity of approximately 111 megawatts (MW). The annual clean energy generation exceeded 100,000 megawatt-hours (MWh), further driving the transformation and upgrading of the energy mix. Concurrently, through ongoing optimization of its energy consumption structure, the Company's annual renewable electricity consumption exceeded 106,000 MWh.	In 2026, the Company will advance 18 ongoing industrial park photovoltaic projects. Upon completion, the total number of such projects will reach 44, with a combined installed capacity of 179 MW, laying a solid foundation for optimizing the energy consumption structure.
Green Ground Transport	The Company actively adjusts its transportation vehicle mix, continuously optimizes the selection and replacement of traditional fuel vehicles, and expands the NEV fleet. By the end of 2025, the Company had cumulatively deployed over 48,000 NEVs, operating in 307 cities.	To further advance the green and low-carbon transition of its land transportation, the Company has formulated a dedicated NEV deployment plan. For 2026, the plan includes deploying over 1,900 NEVs in its trunk and branch-line transportation network. This will comprise over 1,000 LNG-powered vehicles, 50 methanol-powered vehicles (including 20 methanol-fuelled extended-range heavy-duty trucks), and a pilot deployment of 90 hydrogen fuel cell vehicles. These measures will further drive the evolution of the transport fleet toward cleaner and lower-carbon alternatives.
Green Aviation	SF Airlines bases are actively pursuing vehicle electrification. By the end of 2025, the vehicle electrification rates at key aviation bases were as follows: 62% at the Shenzhen base, 53% at the Ezhou base, 34% at the Beijing base, and 17% at the Hangzhou base.	SF Airlines aims to achieve a 100% electrification rate for all on-site vehicle equipment at its aviation bases by 2030.

Green Operation

Waste Management

SF pays attention to waste management during its operations. Based on business development and daily operations, it takes waste reduction at the source and enhancing the waste recycling capacity as the core goals of waste emission reduction. Through measures such as implementing waste classification and promoting resource recycling, it effectively reduces waste emissions. The Company formulates and fully implements a waste classification system, sets clear classification signs in office areas and operational sites, and formulates clear treatment processes for different types of waste to ensure that all kinds of waste are properly and compliantly disposed of. In 2025, the Company repurposed more than 43 million cartons and disposed of approximately 772 tons of used work uniforms.

In addition, the Company conducts regular training programs on waste management to raise employee awareness and practical skills in waste segregation. The training covers key topics including waste classification and disposal procedures, practical recycling methods, and operational guidelines for source reduction, ensuring that all staff consistently follow standardized waste-management practices.

General Waste

For general waste such as domestic waste, discarded stationery, and shredded paper, after collection and sorting, it is promptly transported to the designated waste storage location and handed over to the sanitation department for treatment, with detailed records kept of the disposal process.

Recyclable Waste

For recyclable waste such as paper products and old work uniforms, these items are collected in a designated area. According to the actual situation of recyclables, qualified recyclers are contacted promptly to come and recycle them, maximizing resource utilization.

Hazardous Waste

For hazardous waste such as waste fluorescent tubes, batteries, and waste printer ribbons/toners, the Company collects them centrally and then hands them over to a professional third-party institution with qualifications for unified recycling and treatment.



Noise and Exhaust Emissions Management

The Company has made source noise reduction and exhaust emissions compliance a key focus in minimizing its operational environmental footprint. It continually refines its mechanisms for identifying, assessing, and controlling noise and exhaust emissions to ensure all discharges meet regulatory standards, thereby reducing the impact of its activities on surrounding communities and the ecosystem. In 2025, the Company faced no major administrative penalties or criminal liabilities related to pollutant emissions.

In noise prevention and control, the Company prioritizes the use of high-performance acoustic insulation materials in the construction and daily operation of office buildings and implements noise-reduction upgrades for selected equipment. For industrial park siting and management, it comprehensively considers factors such as nearby residential density and topography, and strategically installs physical barriers like sound-absorbing walls to mitigate community noise along transmission paths.

Regarding exhaust emissions, the Company strictly enforces a vehicle access policy to ensure all newly purchased vehicles comply with the latest national emission standards. In addition, it maintains a regular annual inspection system and conducts ongoing exhaust emission monitoring for its operating fleet, ensuring continued compliance and effective control of air pollution.

Water Resource Management

The Company has established a water management system, including the *Measures for the Management of Water and Electricity in Property Sites* and other water use regulations, to standardize water consumption practices. Guided by the water conservation objective of "maximizing water savings and continuously improving water-use efficiency," it strengthens employee awareness through regular maintenance of water-using facilities and multi-faceted promotion of water-saving practices, enabling scientific water control and efficient usage. All operational water is sourced from municipal water supplies. The Company's business does not involve large-scale water consumption or industrial wastewater discharge, nor does it include operations with high water-pollution risks.

Specific water-saving measures include:

Equipment Inspection and Maintenance

Regularly conduct equipment inspections to promptly detect and repair water leakage problems, ensure that all water-using equipment is in good operating condition, and avoid unnecessary water resource losses such as "leaks and drips".

Greening Water Use Optimization

Continuously improve the efficiency of greening water use, optimize and adjust the greening irrigation methods, and actively promote water-saving irrigation technology to replace flood irrigation.

Rainwater Recycling

Rainwater collection systems are installed in industrial parks, headquarters office buildings, and other facilities, with the collected rainwater for greening irrigation, garage cleaning, and road flushing.

Water-Saving Awareness Campaigns

Water-saving reminder signs are placed at water usage points in office and operational areas, and awareness materials are updated periodically to reinforce employees' water conservation awareness and encourage company-wide adoption of water-saving practices.



Protecting the Ecological Environment

Guided by its philosophy of harmonious coexistence with nature, SF works to minimize the impact of its operations on natural ecosystems and wildlife habitats. Through systematic enhancements to green operations, active participation in ecological conservation initiatives, and improved control over the environmental footprint of its activities, the Company reduces potential effects on biodiversity and takes concrete steps to protect it, partnering with stakeholders to foster a balanced ecological landscape.

Protecting Biodiversity

At its key operational sites, the Company adopts multiple measures in its planning and operations to lessen potential impacts on biodiversity. These include scientific site selection and layout optimization, strict control of operational noise, promotion of forest planting and cultivation, and ecosystem restoration and protection, integrating ecological conservation into everyday business practice.

The Company recognizes the influence of its activities on ecosystems and biodiversity and actively advances related conservation efforts. It references and applies tools such as the Biodiversity Impact Assessment (BIA) and the Biodiversity Risk Filter (BRF) developed by the World Wide Fund for Nature (WWF) to identify and assess the direct and indirect links between its major industrial park locations and natural areas. Monitoring results from the BIA indicate that the Company's primary domestic industrial parks maintain a sufficient buffer from nearby protected natural reserves[10], and any potential operational impacts on these areas remain within controllable and manageable limits.

SF Forest

Since 2020, SF has been running the "SF Forest – Carbon Neutrality" initiative (hereafter "SF Forest") as a key innovative practice in exploring pathways to carbon neutrality. The project is supported by an online "SF Forest" application and the establishment of offline carbon-neutral forests. It has helped establish nature reserves in Xizang and Sichuan, while addressing climate change and protecting biodiversity. Through community outreach, public advocacy, and diverse offline activities, SF shares the "zero-carbon" vision with employees, customers, and the public, driving consensus and action to support society-wide green, low-carbon ecological development.



SF Carbon-Neutral Forest Project in Sêrtar County, Sichuan Province

Offline Carbon-Neutral Forests: Scientifically Designed, Multi-Benefit Initiatives

Through scientific planning and meticulous implementation, the SF Forest project not only effectively reduces greenhouse gases but also promotes ecological conservation and restoration, thereby improving forest ecosystems. In collaboration with governments, businesses, and social organizations, the Company has pioneered a green development model in climate change response and ecological protection. This model is characterized by multi-stakeholder participation, shared benefits, multiple environmental and social outcomes, and local empowerment.

By the end of 2025, the SF Forest initiative had established over

10,000 mu (about 667 hectares) of carbon-neutral forests across Hebei and Sichuan Provinces,

cumulatively planting more than

1 million trees, including species such as Oriental arborvitae (Platycladus orientalis), Chinese pine (Pinus tabuliformis), and spruce (Picea spp.). These efforts contribute to climate change mitigation and local ecological restoration and enhancement.

Online "SF Forest": Digital Empowerment for Public Participation

Leveraging digital innovation to broaden public involvement, the Company has developed the "SF Forest" online application platform. This interactive system integrates carbon footprint calculation, tree seedling adoption and nurturing, and incentive-based tasks. Through the "cloud tree-planting" feature, users can participate remotely in ecological initiatives and track in real time the growth progress and environmental benefits of their adopted trees. By the end of 2025, the platform had attracted over 150,000 users who collectively adopted more than 150,000 seedlings. All adopted trees are planted in designated field locations, ensuring that online environmental engagement translates into tangible offline ecological impact.

[10] The scope of "natural reserves" referred to herein includes national parks, nature reserves, and natural parks, as well as World Natural Heritage sites and Wetlands of International Importance (Ramsar Sites). The respective boundaries are designated in accordance with the *Guiding Opinions on Establishing a Protected Area System with National Parks as the Mainstay*, the *Convention Concerning the Protection of the World Cultural and Natural Heritage*, and the *Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar Convention)*.

Biodiversity Conservation Initiatives

SF focuses on protecting ecological functional zones and endangered species, advancing practical and innovative conservation actions through scientific surveys and multi-stakeholder collaboration. The Company conducts comprehensive scientific assessments to establish a clear baseline of local ecological resources, enabling focused protection of key ecological functional zones and rare or endangered species, thereby maintaining ecosystem balance. In parallel, SF maintains close cooperation with research institutes and social organizations, integrating multilateral high-quality resources to implement biodiversity conservation projects in regions such as Sichuan Province and the Xizang Autonomous Region. These efforts represent an ongoing exploration of new pathways and mechanisms for biodiversity conservation.



Integrated Pilot Project for Wildlife Conservation and Ecological Development in Southeastern Xizang

The SF Public Welfare Foundation has engaged in in-depth collaboration with the Shanshui Conservation Center to implement an Integrated Pilot Project for Wildlife Conservation and Ecological Development in Mêdog County and Zayü County in southeastern Xizang. The project advances the synergy between ecological protection and community development around three core pillars: species monitoring, community-based conservation, and public science education and awareness.

In 2025, the project team conducted field surveys involving a range of activities: researching the design of nature education trails; holding discussions with the local Forestry and Grassland Bureau on solutions to human-wildlife conflict and ranger training; visiting villages to refine protection measures; and inspecting infrared camera deployment. Through technology enablement, public science education, and multi-party collaboration, the project continues to explore sustainable pathways that harmonize ecological protection with community development. These efforts have not only achieved more precise species monitoring, institutionalized community conservation, and contextualized science outreach but have also built a cross-institutional, cross-regional collaborative protection network.



Field surveys for the Integrated Pilot Project for Wildlife Conservation and Ecological Development in Southeastern Xizang

White-lipped Deer Conservation Public Welfare Project in the Sẹrtar Nianlong Nature Reserve, Sichuan

Since its joint launch in 2024 by the SF Public Welfare Foundation and the China Green Carbon Foundation, the White-lipped Deer Conservation Public Welfare Project in the Sêrtar Nianlong Nature Reserve, Sichuan has successfully completed its phase-one baseline survey. A total of six comprehensive surveys have been conducted within the reserve, involving 546 participant-days.

In 2025, the project further enhanced its scientific monitoring system. Following a grid-based layout, the project team deployed 101 monitoring points equipped with 134 infrared cameras, successfully retrieving data from 93 points. Simultaneously, the team completed surveys of 345 habitat sample plots and 50 animal transects, and conducted in-depth interviews with over 80 local households, building a comprehensive understanding of the regional ecological baseline and community development status. Infrared camera monitoring has enabled the research team to document 5 species of nationally first-class protected wildlife – including the snow leopard (Panthera uncia), Chinese mountain cat (Felis bieti), and white-lipped deer (Cervus albirostris) – and 12 species of nationally second-class protected wildlife, such as the blue sheep (Pseudois nayaur), Tibetan gazelle (Procapra picticaudata), and Chinese serow (Capricornis milneedwardsii). This provides reliable data support and visual evidence for assessing biodiversity status and conservation effectiveness.

Furthermore, the SF Public Welfare Foundation actively collaborates with partners and the local Forestry and Grassland Bureau, holding in-depth exchanges on project progress and organizing joint field patrols. By learning to identify wildlife signs – such as tracks, dens, and scat – team members have enhanced their understanding of species activity patterns, strengthened frontline patrolling and scientific monitoring capabilities, and laid a foundation for the project's sustainable and long-term operation.



Infrared camera image of a snow leopard – a nationally first-class protected animal – captured in the Sêrtar Nianlong Nature Reserve, Sichuan

Addressing Climate Change

Climate change has become a global issue crucial to the survival and the sustainable development of human civilization. As an active participant in the green and low-carbon transition of the logistics industry, SF continuously monitors and assesses climate-related risks and opportunities. The Company is firmly committed to supporting the national “dual-carbon” strategy and the 1.5°C temperature goal of the *Paris Agreement*. Refer to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), SF integrates climate-related matters into its corporate governance system, conducts in-depth identification, assessment, and scenario analysis of climate risks and opportunities, continuously enhances climate risk management, strengthens adaptation and mitigation capabilities, and steadily builds and enhances its climate resilience.

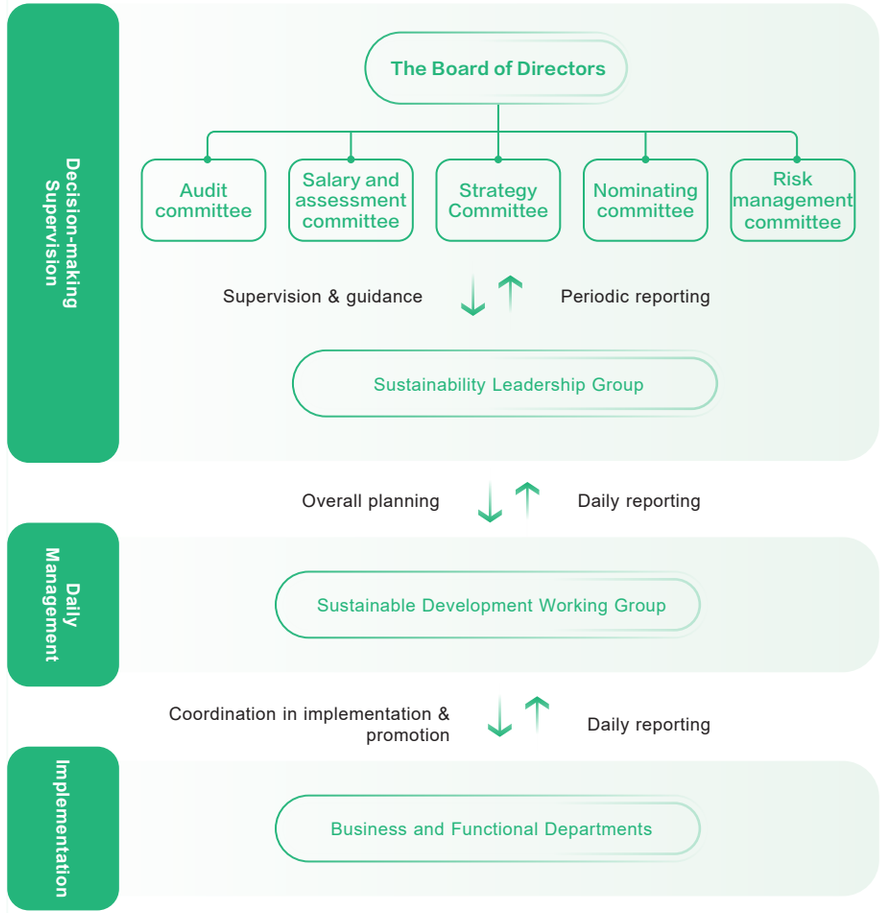
Governance

SF recognizes the profound impact of climate change on its strategic direction and business operations and treats climate governance as a core component of its Environmental, Social, and Governance (ESG) framework. The Board Strategy Committee oversees and manages sustainability matters, including climate change response. It incorporates climate risks and opportunities into the Company’s strategic planning and formulates corresponding management measures. The Committee meets at least annually to discuss climate-related risks and opportunities, progress on emission-reduction targets, pathways for green transition, and other climate-related topics. This ensures that climate governance is aligned with the Company’s overall strategy, promotes consistent attention and effective implementation of climate issues in decision-making and resource allocation, and strengthens the Company’s resilience and foresight in addressing climate challenges.

Meanwhile, to ensure that the Board and senior management remain informed of the latest trends in climate-related risks and opportunities, the Company regularly enhances their climate-related competencies through measures such as circulating briefing materials and organizing participation in industry seminars.

To strengthen oversight of climate action implementation, SF has incorporated quantitative climate-related indicators – including emission-reduction targets and progress in energy conservation – into the performance evaluation system for senior management. Performance assessments are used to drive implementation of measures and continuously raise the standard of climate governance.

SF Sustainability Governance Structure



The Board of Directors acts as the decision-making body for SF’s sustainable development and climate change response. It is responsible for formulating ESG and climate-related strategies, overseeing their implementation, and establishing governance frameworks to ensure operational departments address ESG risks and climate-related impacts. The Board’s Strategy Committee communicates ESG and climate objectives, regularly reviews emerging trends, risks, and opportunities, and keeps the information updated. Furthermore, SF integrates carbon reduction targets into its corporate strategy, links them to management performance evaluations, and ensures the effective implementation of ESG and climate governance.

Oversight of these responsibilities is led by the CEO, with the participation of the Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Marketing Officer (CMO), Chief Technology Officer (CTO), and Chief Human Resources Officer (CHO). This executive team is tasked with setting and regularly reviewing ESG and climate-related goals, ensuring that ESG and climate risks are fully considered and addressed in corporate decision-making, investment planning, and operational activities.

As a specialized working body, the Sustainable Development Working Group comprises representatives from the Office of the Board of Directors, functional departments related to sustainable development, BGs (Business Groups), and BUs (Business Units). It is responsible for coordinating ESG and climate-related work, facilitating effective communication and implementation of tasks, and reviewing climate-related risks and opportunities.

In accordance with established management indicators and mechanisms, SF’s business and functional departments identify ESG and climate risks, conduct carbon emissions accounting, implement climate risk management measures in business operations, and carry out energy conservation and emissions reduction plans, thereby strengthening ESG and climate governance.

Strategy

The Company conducts a comprehensive assessment of climate-related risks and opportunities across short (0–2 years), medium (2–5 years), and long-term (5–10 years) horizons, and closely integrates corresponding risk-management actions with its strategic objectives and operational plans, advancing this in a coordinated manner. Given that climate-related risks and opportunities typically involve long time frames, complex drivers, and material uncertainty, the Company employs scenario analysis to systematically evaluate climate risks and their potential financial implications under different global warming pathways, such as low and high-emission scenarios. Scenario analysis provides a scientific foundation for developing forward-looking and adaptive strategies to manage climate-related risks and opportunities.

As a key component of its climate-related strategy, the Company continues to refine its climate transition plan. Aligned with the criteria of the Science Based Targets initiative (SBTi), it has established clear greenhouse gas emission reduction targets and received SBTi validation for its near-term, long-term, and net-zero targets in April 2025. To deliver on its commitment to achieve net-zero emissions across its entire value chain by 2050, SF has undertaken in-depth strategic analysis, continually optimized its climate transition pathway, and focused on five priority areas: green transportation, green parks, green packaging, green technology, and circular supply chains. These efforts aim to reduce emissions from its own operations as well as across its upstream and downstream value chain. At the same time, the Company collaborates with value chain partners to advance toward a zero-carbon future. For further details on the Company's climate goals and roadmap, please refer to the *SF Group Climate Action White Paper*.



Physical Risks

Physical risks refer to the impacts of changing climatic conditions on the Company's operations and development, categorized mainly as acute risks (e.g., typhoons and floods) and chronic risks (e.g., rising average temperatures). The Company assesses climate risks based on two Shared Socioeconomic Pathways (SSPs) outlined in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)[11] – SSP1-2.6 (low-emission scenario) and SSP5-8.5 (high-emission scenario) – and analyzes the potential operational and financial impacts of key physical risks.

Scenario Type	Selected Scenario	Scenario Source	Scenario Application Description	Scenario Prediction[12]
Low-emission Scenario	SSP1-2.6	The Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC)	A rapid transition from a fossil fuel-dependent economy to a renewable energy-driven economy, with many countries beginning to implement strong climate mitigation measures to limit the global warming amplitude in this century to no more than 2.0°C above pre-industrial levels (1850).	• Average temperature[13]: Rise of 1.9°C • Average sea level[14]: Rise of 0.2 meters • Extreme climate events[15]: Frequency and intensity increase to a certain extent • Total precipitation[16]: Increase of 1.3%
High-emission Scenario	SSP5-8.5	The Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC)	Due to the continued use of fossil fuels as the primary energy source to drive global economic growth, greenhouse gas emissions are expected to remain high through 2100, which may exacerbate the occurrence of extreme weather events.	• Average temperature: Rise of 2.7°C • Average sea level: Rise of 0.3 meters • Extreme climate events: A significant increase in frequency and intensity • Total precipitation: Increase by 1.6%

[11] The data from the IPCC models focus on climate science and its physical impacts, enabling detailed projections of the physical impacts of climate change. These models are suitable for assessing the physical risks faced by the natural ecosystems and infrastructure under climate change conditions.

[12] Source: The Intergovernmental Panel on Climate Change (IPCC) Working Group I (WGI) Sixth Assessment Report and the CMIP6 climate models.

[13] Refers to the projected change in China's average temperature by 2050 relative to the baseline period 1850–1900.

[14] Refers to the projected change in China's average sea level by 2050 relative to the baseline period 1955–2014.

[15] Refers to the projected change in the frequency and intensity of extreme climate events in China by 2050 relative to the baseline period 1850–1900.

[16] Refers to the projected change in total precipitation in China by 2050 relative to the baseline period 1850–1900.

Under the high-emission scenario, the physical risks faced by the Company are most significant. Therefore, a physical risk analysis is carried out focusing on this scenario:

Risk Type	Risk Factor	Impact Period	Impact on Value Chain	Impact Level
Acute risk	Typhoon	Short-term, medium-term, long-term	Logistics and operations	Medium to high

Risk Analysis

- In logistics transfer operations, SF operates numerous self-managed and partner outlets, transfer stations, logistics industrial parks, and warehouses domestically and internationally. Typhoons and other extreme weather events bring strong winds and heavy rainfall that can damage transfer-station roofs, cause equipment failures, disrupt normal operations, and increase maintenance and operating costs.
- In logistics transportation, SF provides domestic and cross-border services via air, road, and rail. Severe typhoons can disrupt overall logistics flows, leading to cargo backlogs, delayed deliveries, increased fulfillment risks, and revenue losses.

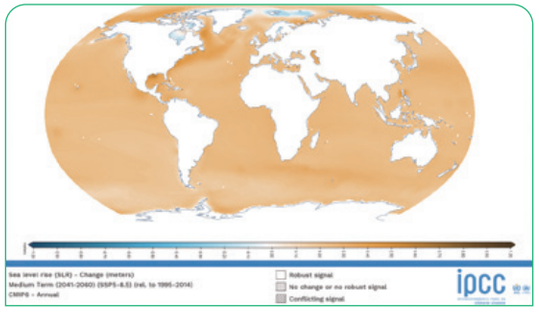
Response Measures

- During site planning and construction, the Company fully assesses risks from typhoon-induced strong winds and heavy rainfall. Where compliant with local building codes, it avoids multi-slope road designs to reduce the formation of subsidence and gullies during intense precipitation.
- Comprehensive emergency response plans are established. Each operational site maintains sufficient stocks of emergency supplies – such as sandbags, generators, drainage pumps, and helmets – as required by internal protocols. Regular inspections of facility conditions and inventories of emergency supplies are conducted.
- For air operations, SF Airlines has a dedicated meteorological unit within its aviation operations command center. This unit issues real-time weather warnings and forecasts, accurately assesses the impact of adverse weather, and promptly communicates meteorological information to all operational support departments, providing professional weather-related input for flight-decision adjustments.

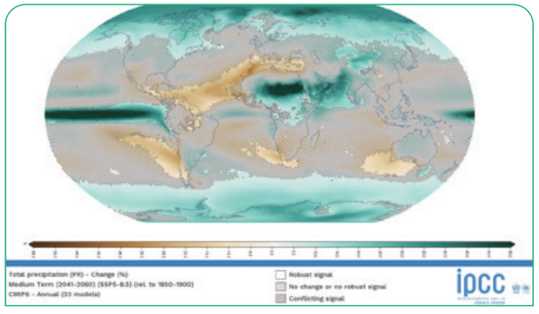
Risk Type	Risk Factor	Impact Period	Impact on Value Chain	Impact Level
Acute risk	Flood	Short-term, medium-term, long-term	Logistics and operations	Medium to high

Risk Analysis

Global warming will lead to a rise in sea level and an increase in total precipitation, thereby increasing the risk of flood disasters.



Long-term changes in the global sea level under the high-emission scenario



Long-term changes in the global total precipitation under the high-emission scenario

- In flood-prone areas, the Company's transfer stations, warehouses, and industrial parks face inundation risks, which may damage stored goods. If logistics infrastructure – such as transport equipment, pipeline systems, and storage facilities – is damaged by floods, asset losses can occur along with increased maintenance costs.
- Floods can also damage transportation infrastructure such as roads and bridges, disrupting logistics routes, compromising delivery timelines, reducing transport efficiency, and leading to declines in operating revenue.

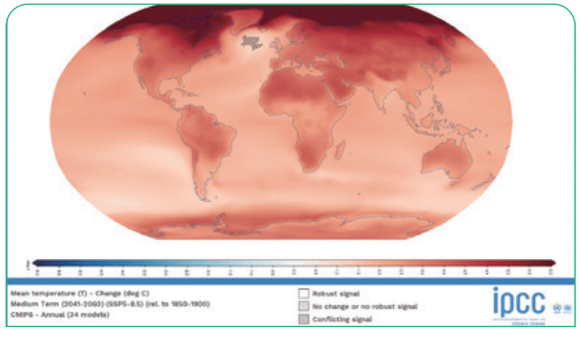
Response Measures

- For transfer stations, warehouses, and industrial parks located in low-lying areas, the Company conducts advance comprehensive inspections and maintenance of drainage systems. Drainage upgrades are implemented according to local flood-control standards to strengthen resilience against potential flood risks.
- Based on meteorological and hydrological information issued by national meteorological and water-resources authorities, the Company's Command and Safety Center disseminates emergency plans – such as the *Flood Prevention Emergency Plan* and the *Response Plan for Extreme Weather* – across the network via email and other channels. Work is deployed in advance, covering organizational support, daily preventive measures (encompassing personnel, parcels, vehicle operations, site safety, and material reserves), and emergency response, ensuring comprehensive safety-risk management during flood seasons.

Risk Type	Risk Factor	Impact Period	Impact on Value Chain	Impact Level
Chronic risk	Rising average temperature	Medium- to long-term	Operations	Medium to high

Risk Analysis

Global warming will lead to a rise in average temperature, which will have an adverse impact on SF's operations.



Long-term changes in global average temperature under the high emission scenario

- Persistently rising temperatures reduce the efficiency of outdoor workers, such as couriers, elevate their health risks, and increase operational costs due to necessary heat allowances and workplace cooling measures.
- High-temperature conditions also strain cold-chain logistics systems, including cold storage facilities and refrigerated transport vehicles, leading to higher refrigerant consumption and increased cooling operation costs. Furthermore, summer heat and temperature fluctuations across the Company's service areas can adversely affect the storage and transportation conditions of consignments, heightening the potential risk of revenue loss.
- In response, the Company integrates authoritative external weather forecasts to continuously develop and optimize its weather monitoring and early-warning system. High-temperature alerts are issued in advance, guiding staff to take proactive measures to mitigate risks from extreme heat. We fully implement occupational health safeguards for high-temperature operations, which include providing cooling devices, implementing improvements, and managing shift schedules scientifically to prevent heat-related illnesses. Additionally, by analyzing national temperature and routing data, we have built an environmental temperature model to define specific climate zones. This enables the adoption of differentiated temperature-control materials and technologies for each zone, and the establishment of tailored packaging and refrigerant configuration standards to minimize the impact of extreme temperatures on shipments.

Response Measures

- The Company integrates authoritative external weather forecast data to continuously develop and refine its meteorological monitoring system. It proactively establishes and disseminates high-temperature warning indicators to guide staff in taking preemptive measures, thereby reducing risks associated with extreme heat.
- The Company fully implements health protection measures for high-temperature operations. This includes providing cooling devices such as portable fans, carrying out ventilation and cooling renovations, and arranging work schedules and rest days based on scientific principles to effectively prevent potential health hazards posed by high temperatures to employees.
- By combining nationwide urban temperature and routing data, the Company has built an environmental temperature analysis model to divide its network into specific climate zones. It adopts differentiated temperature-control materials and technologies for each zone and formulates corresponding standards for temperature-controlled packaging and refrigerant configuration, suited to the respective zones and shipment flow directions, to reduce the impact of extreme temperatures on consignments.

Transition Risks

Transition risks refer to potential uncertainties that enterprises may face in the process of transitioning towards low-carbon and sustainable development, due to shifts in multiple external factors such as policy direction, laws and regulations, technological evolution, and market structure adjustments. Based on analyses of the macro environment, industry trends and internal research data, and with reference to the International Energy Agency (IEA)[17] Stated Policies Scenario (STEP) and Net Zero Emissions by 2050 Scenario (NZE), SF has conducted focused assessments on policy and regulatory risks, technological risks, market risks and reputational risks. This enables the identification of the impacts that energy transition and policy changes may have on the Company's business model, analysis of the Company's transition risks and opportunities under different climate scenarios, and provides a scientific basis for formulating low-carbon transition strategies.

Scenario Type	Scenario Selected	Scenario Source	Scenario Application Description	Scenario Forecasting[18]
High Emission Scenario	Stated Policies Scenario (STEP)	IEA	This scenario is based on the policies that have been implemented and clearly announced by governments and industries around the world. It projects the development trends and limitations related to energy and climate. Global greenhouse gas emissions will continue to rise, and the temperature control target in the *Paris Agreement* cannot be achieved.	International climate policy: Some countries and regions have not established clear climate targets, nor have they introduced specific climate implementation plans. Global energy demand: Total global energy demand in 2035 will be 4% higher than the 2024 level under the same scenario, mainly because the demand for coal and natural gas continues to increase. Global greenhouse gas emissions: They will reach 29,629 megatons in 2050. The carbon price in China: It will reach $34 per ton in 2050. Automobile industry pattern: Growth expectations for electric vehicles in developed economies have been lowered, and uncertainties remain in new electric vehicle sales and oil demand trends.
Low Emission Scenario	Net Zero Scenario by 2050 (NZE)	IEA	This scenario aims to achieve net zero energy-related carbon dioxide emissions by 2050 through climate related policy support, large-scale deployment of renewable energy technologies, and energy efficiency improvements, while limiting global temperature rise to below 1.5°C by 2100.	International climate policy: The world's major countries and regions have announced their carbon neutrality pathways, including China's "Dual Carbon" goals, and strictly implement them. Global greenhouse gas emissions: Global energy-related emissions will decrease by about 50% compared with the 2024 levels in 2035 and are expected to achieve net zero emissions by 2050. The carbon price in China: It will reach $200 per ton in 2050. Global energy demand: The deployment of various low-carbon technologies will be significantly accelerated, and the terminal energy consumption will undergo a rapid electrification transformation. By 2035, the average annual investment in the global electrification field will exceed $900 billion, triple the current level. Automobile industry pattern: The electrification of the automotive sector will be significantly accelerated, and oil consumption will also be more significantly impacted.

[17] The IEA models focus on energy systems and the impact of policy changes on carbon emissions, reflecting changes in energy demand, supply and carbon emissions under different policy and technology pathways, and are suitable for assessing transition risks associated with energy transition and policy changes.

[18] Source: IEA, *World Energy Outlook 2025*

In the low emission scenario, due to factors such as stricter policy supervision and faster technological innovation, the impact of transformation risks on the Company is particularly significant. The Company focuses on this scenario dimension and systematically conducted transformation risk analysis.

Risk Type	Risk Factor	Impact Period	Impact on Value Chain	Impact Level
Policy and regulatory risks	Pressure from greenhouse gas emission reduction policies	Short-term, medium-term, long-term	Logistics, operations, and downstream sales	Medium to high

Risk Analysis

- Since China announced its "Dual Carbon" goals, the government has issued a series of policy documents – including the *14th Five-Year Plan for Modern Logistics Development, the Outline for the Development of the Green Aviation Manufacturing Industry (2023–2035), and the Law of the People's Republic of China on Promoting Circular Economy* – across energy, transportation, and logistics sectors to advance the green and low-carbon transition of the economy. These macro-policy shifts could impact SF's core businesses, such as express delivery and warehousing, challenge existing operational models, and increase expenditures in environmental protection, energy conservation, and emission reduction.
- In the area of international compliance, the EU Emissions Trading System (EU ETS) has incorporated the aviation sector, using market-based mechanisms to drive down carbon emissions. As SF Airlines continues to expand its fleet and international route network, it may become subject to this system in the future, introducing additional operating cost pressures.

Response Measures

- To address these developments, SF has established a dedicated policy research team to analyze national and local policies, monitor regulatory trends domestically and internationally, and incorporate these insights into its risk-assessment framework. The Company also develops strategic plans proactively in response to internal and external changes.
- SF actively organizes internal and external training and participates in climate-related capacity-building programs to strengthen its professional expertise in climate management. This year, the Group and its subsidiaries took part in such activities hosted by authoritative third-party institutions, continuously absorbing advanced industry practices and raising their climate-management proficiency.
- For international route operations, SF continuously monitors flight volumes on EU routes and tracks the latest policy developments under the EU ETS. It has set up a dedicated task force for EU route carbon emissions, which has developed and refined the *Working Guidelines for Carbon Emissions on EU Routes*. This systematic effort builds carbon-management capabilities, integrates resources, trains specialized teams, and deploys risk-mitigation measures in advance.
- Annually, SF engages an independent third-party professional organization to conduct carbon emission verification, ensuring a comprehensive understanding of its carbon footprint. Concurrently, the Company implements refined energy-saving and carbon-reduction management to promote the scientific and standardized execution of emission-reduction initiatives.

Risk Type	Risk Factor	Impact Period	Impact on Value Chain	Impact Level
Technological risks	R&D and investment in low-carbon transformation technologies	Short-term, medium-term, long-term	Logistics and operations	Medium to high

Risk Analysis

Driven by both policy direction and shifts in the market environment, the logistics and transportation sector continues to elevate its focus on the research, development, and application of new energy and carbon-reduction technologies. SF is steadily deploying new-energy vehicles in its road transportation network while expanding its freighter fleet and advancing the operation of Sustainable Aviation Fuel (SAF) routes in air transport. The research, development, and large-scale deployment of low carbon technologies demand substantial capital and time investments, which may strain the Company's cash flow in the near term and increase operating costs.

Response Measures

- The Company actively engages in domestic and international forums on the application of Sustainable Aviation Fuel (SAF), closely monitoring its market developments and commercialization pathways. Through strengthened industry-academia-research collaboration and sector-wide coordination, the Company works with partners to advance low carbon technology development, share technological achievements, and mitigate the financial impact of unilateral investment.
- For its ground fleet, the Company conducts pilot projects for LNG, CNG, methanol, and hydrogen-fueled vehicles in selected regions or corridors based on technological readiness and refueling infrastructure. This phased approach helps manage the pace of upfront capital expenditure, avoiding large-scale inefficient investments and reducing financial risk.

Risk Type	Risk Factor	Impact Period	Impact on Value Chain	Impact Level
Market risk	Energy price fluctuations	Short-term, medium-term	Logistics and operations	Medium to high

Risk Analysis

Due to the intertwined influence of factors such as the macroeconomic trends, frequent geopolitical conflicts, and uneven pace of clean energy transformation in the global energy market, energy prices continue to fluctuate, which may increase fuel procurement costs for the Company's aviation and land transportation operations, thereby raising transportation costs.

Response Measures

- The Company uses intelligent algorithms to plan optimal transportation routes, enhancing efficiency to reduce fuel consumption and per-unit transport costs. It is also actively developing multimodal transport, optimizing the modal mix and resource allocation to lower overall costs and improve energy efficiency across its transportation network.
- In daily office and operational environments, the Company actively implements a range of ongoing energy conservation measures. These include retrofitting energy-efficient equipment, deploying smart devices, establishing energy-use protocols, and promoting energy-saving awareness among all staff. These efforts continuously improve the energy consumption structure and reduce overall energy costs.

Risk Type	Risk Factor	Impact Period	Impact on Value Chain	Impact Level
Reputation risk	Stakeholder concerns	Short-term, medium-term, long-term	Logistics, operations, and downstream sales	Medium to high

Risk Analysis

The Company has publicly committed to science-based greenhouse gas emission reduction targets and aims to achieve net-zero emissions across its entire value chain by 2050, which has drawn attracted and ratings from leading ESG rating agencies. Should the Company's progress in its green and low-carbon transition lag or if it fails to meet its public commitments on schedule, its brand reputation could be impaired, eroding trust among stakeholders – including the public, customers, and investors – and potentially pressuring business performance and market valuation.

Response Measures

- The Company has established a cross-functional specialized team to consistently monitor and assess internal and external sentiment, strengthen its public response and crisis-management mechanisms, conduct advanced risk assessments, and develop targeted mitigation measures.
- The Company regularly issues sustainability reports to disclose its strategic objectives, implementation progress, and phased outcomes in low-carbon transition. It actively engages with stakeholders – such as customers, investors, and regulators – to address their concerns through two-way communication, thereby building confidence in its green strategy and long-term value.

Climate Opportunities

In the process of low carbon economic transformation, SF turns challenges into development opportunities through forward-looking climate adaptation measures. The Company actively explores new opportunities brought about by 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 impetus into sustainable development.

Opportunity Type	Opportunity Factor	Impact Period	Impact on Value Chain	Impact Level
Product and service opportunities	Development and/or expansion of low-emission products and services	Short-term, medium-term, long-term	Operations and downstream sales	Medium to high

Opportunity Analysis

- In recent years, China has issued policies including the *14th Five-Year Plan for Circular Economy Development* and the *Guiding Opinions on Accelerating the Construction of a Waste Material Recycling System*, explicitly advocating the widespread adoption of circular production models. These measures provide substantial policy and resource backing for industries to establish circular economic systems. By leveraging this policy guidance to optimize its resource recycling, energy conservation, and emission reduction framework, the Company can effectively reduce long-term operational costs and expand revenue opportunities in its green business segments.
- Amid rising focus on climate issues, demand from downstream customers and consumers is rapidly shifting toward green and low-carbon services, with a marked increase in need for sustainable value chain solutions. By continuously enhancing its green service capabilities, the Company can strengthen customer loyalty and market share, improve its bargaining power and risk resilience, foster low-carbon collaboration across the industrial chain, and mitigate potential compliance and reputational risks.

Response Measures

- In alignment with the circular economic trend, the Company is building a comprehensive circular ecosystem for express packaging. Through collaboration with value chain partners, it innovates green, low-carbon recycling models for plastics and plays an active role in developing the “Double-Easy” (Easy to Recycle and Recover) green packaging standards for the express industry. These regional and industrial collaborations drive the green circular development of logistics packaging.
- Building on its proprietary “Fenghe Platform” carbon emission calculation model, the Company provides customers with precise measurements of greenhouse gas emissions in the transport segment. This enhances the transparency of carbon data and enables the Company to offer tailored green, low-carbon logistics solutions, thereby propelling the green transformation of the entire supply chain.
- Additionally, the Company is actively expanding the application of sustainable fuels – including Sustainable Aviation Fuel (SAF) and sustainable marine fuels – to provide downstream customers with cleaner alternatives to conventional fossil fuels. This meets their growing demand for low-carbon transport and further strengthens customer loyalty.

Opportunity Type	Opportunity Factor	Impact Period	Impact on Value Chain	Impact Level
Resource efficiency	Adopt a more effective transportation mode	Short-term, medium-term, long-term	Logistics and operations	Medium to high

Opportunity Analysis

With the rise of green logistics, multimodal transport has become a key means for achieving low-carbon transition and cost reduction. National policy documents such as the *Work Plan for Optimizing and Adjusting the Transport Structure in the Development of Multimodal Transport (2021–2025)* are driving the integrated development of road, rail, waterway, and air transport, which can support the Company in lowering logistics and energy costs while enhancing its competitiveness and profitability.

Response Measures

The Company leverages its resources across aviation, land transport, shipping, and express hubs, and actively collaborates with upstream and downstream partners in the value chain. The Company is proactively exploring innovative multimodal solutions such as truck-air intermodal, air-rail intermodal, and rail-rail intermodal transport. By integrating the strengths of different transport modes and dynamically optimizing route combinations and resource allocation, SF improves transport efficiency while effectively reducing energy consumption and overall logistics costs.

Impact, Risk, and Opportunity Management

SF deeply integrates climate change risks into the enterprise risk management framework to ensure that climate-related risks are effectively identified, scientifically managed, and regularly disclosed. The Company regularly organizes discussions and analyses on climate-related issues, continuously monitors and follows up on the progress of climate risk management, continuously optimizes its risk control mechanism and improves professional management capabilities in daily operations, enhancing the Company's overall capacity to respond to climate risks.



Risk Environmental Analysis

SF continuously monitors and analyzes the internal and external environmental changes arising from climate-related risks, with assessments covering external policy pressures, market transition trends, corporate risk tolerance, and business operation models. If environmental changes have 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.

Risk Control Objective Setting and Risk Identification

In combination with the risk control targets set at the Company level, SF conducts research and analysis of internal and external factors that may impact the achievement of these targets. This comprehensive evaluation encompasses internal governance structures, external economic conditions, natural environmental factors, and relevant legal/regulatory frameworks, through which the Company identifies and assesses climate change-related risks to formulate a structured risk inventory.

Risk Assessment

The Company adopts a combined quantitative and qualitative methodology for climate risk analysis and assessment. Based on the likelihood of risk occurrence and the degree of impact on corporate objectives, identified risks are prioritized to determine key focus areas and preferential control measures. This risk prioritization provides scientific reference for developing and refining the Company's strategic initiatives.

Risk Response

Taking into account risk causation and tolerance levels, the Company evaluates risk-reward tradeoffs while incorporating factors such as brand reputation and social responsibility. Based on comprehensive risk analysis findings, the Board of Directors will deliberate and determine effective risk mitigation strategies to safeguard the Company's sustainable growth and operational stability.

Supervision and Improvement

The Company maintains ongoing oversight and follow-up on the implementation of climate-related risk mitigation measures, while continuously refining risk management mechanisms and capabilities through routine operations.

Metrics and Targets

As the largest integrated logistics service provider in China and Asia, and the fourth largest globally, SF consistently upholds a philosophy of sustainable and sound development. It fully recognizes the importance of participating in global climate action, actively responds to worldwide decarbonization initiatives, and steadfastly implements China's "Dual Carbon" strategy, to the advancement of the long-term goals of the Paris Agreement through its efforts in the logistics sector. In November 2023, SF formally signed and submitted its science-based target application to the Science Based Targets initiative (SBTi), and its targets were officially validated in April 2025, demonstrating SF's commitment to achieving science-based greenhouse gas emission reductions and its ambition to reach net-zero emissions across the entire value chain by 2050.

To drive effective implementation of its climate strategy, the Board Strategy Committee conducts an annual review of progress on climate-related targets and metrics. Meanwhile, SF has established a systematic and digitalized carbon management system. It has developed and continues to optimize a cross-departmental carbon reduction collaboration mechanism, which institutionalizes regular communication, coordination, and data reporting procedures, and clearly defines specific initiatives and progress-tracking requirements for all relevant departments in their emission reduction efforts.

Building on this foundation, SF plans to further integrate carbon management objectives into its performance evaluation system. By continuously enhancing its capacity to monitor and account for carbon emission data and applying a closed-loop management mechanism, SF aims to effectively drive the achievement of its climate-related goals.

Indicator	Unit	2025
Total Scope 1 greenhouse gas emissions	tCO_2e	3,430,954.0
Total Scope 2 greenhouse gas emissions (location-based)	tCO_2e	1,453,283.9
Total Scope 3 greenhouse gas emissions	tCO_2e	8,626,404.6

Goal[19]

Near-term targets approved by SBTi

60% of SF's suppliers by emissions covering upstream transportation and distribution, will have science-based targets

- 42% Greenhouse Gas Scope 1 and Scope 2
- 25% Greenhouse Gas Scope 3 (from purchased goods and services, capital goods, and fuel and energy-related activities)

Net-zero targets approved by SBTi

Net-zero greenhouse gas emissions across the value chain

Long-term targets approved by SBTi

- 90% Greenhouse Gas Scope 1 and Scope 2
- 90% Greenhouse Gas Scope 1 and Scope 2

2023 (Base year) | 2029 | 2030 | 2050

Progress in 2025

- Absolute Scope 1 and 2 greenhouse gas emissions increased by 9.5% from the 2023 base year.
- Absolute Scope 3 greenhouse gas emissions (from purchased goods and services, capital goods, and fuel and energy-related activities) decreased by 6.6% from the 2023 base year.
- Conducted a specialized survey on carbon emissions among core suppliers, systematically assessing their greenhouse gas emission reduction target setting and progress toward Science Based Targets initiative (SBTi) validation. This effort provides a data foundation for building a climate-friendly supply chain.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

[19] "The target boundary includes land-related emissions and removals from bioenergy feedstocks". The target covers seven greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

04

Social

Advancing with Responsibility to Co-create a Brighter Future

SF is dedicated to cultivating a sustainable logistics ecosystem anchored in responsibility and powered by collaboration. For employees, SF adheres to the principle of "love-oriented", fully protects employees' legitimate rights and interests, provides a broad platform for growth and development, implements employee care measures, and strives to create a warm and harmonious workplace. For partners, SF deepens strategic collaboration and linkage. By opening up technology platforms, sharing green solutions, and jointly establishing low-carbon standards, SF empowers upstream and downstream partners to improve operational efficiency and sustainability, and work together to build a resilient, transparent, and green industrial chain and supply chain. For the general public, SF actively transforms its network advantages into public value, and continuously invests in key areas such as rural revitalization, emergency logistics, educational public welfare, and medical assistance, so that the Company's development achievements can benefit society more widely, achieve the integrated and mutually beneficial development of economic and social values. Bound by responsibility and defined by action, SF is weaving a network that combines speed with warmth – our enduring pledge to a better society.

- Construction of Talented Team
- Protecting Employee Rights and Interests
- Guarding the Safety Line
- Building a Responsible Supply Chain
- Contributing to Social Well-being



Construction of Talented Team

SF always regards talents as the core driving force for enterprise development, attaches great importance to the construction of talent teams, and is committed to building a professional and high-quality talent echelon through scientific talent recruitment, training, and incentive mechanisms. It provides all-round support for employees' growth and development, builds a broad platform for employees to realize their personal values, helps employees and the Company grow together, and promotes the long-term and stable development of the Company.

Talent Recruitment

SF strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, establishes the *SF Recruitment Management System* to standardize the entire recruitment process management, strictly adheres to the principles of fairness, impartiality, and openness in recruitment, and ensures the standardization and transparency of the talent recruitment work through measures such as quarterly compliance reviews of recruitment activities, interviewer training, and qualification certification.

To ensure compliance, fairness, and transparency of recruitment, SF implements a standardized recruitment process. Job information is publicly released through unified channels. The selection is based on objective evaluations of candidates' abilities, experiences, and their fit with the positions, eliminating any form of discrimination based on gender, age, ethnicity, religious belief, household registration, or health status. All interviewers receive training on anti-discrimination and fair recruitment. Multiple people are involved in key processes with cross-reviews to ensure fair decision-making. Recruitment results are promptly communicated through official channels. The entire process is subject to internal supervision and an employee complaint mechanism to effectively safeguard the equal employment rights of every applicant and fulfill the Company's commitment to diversity, inclusion, and social responsibility.

At the same time, the Company manages human capital risks from the recruitment end. In 2025, SF implemented multiple measures, such as refining recruitment standards and interview processes, strengthening comprehensive background checks to prevent risks, and introducing digital tools like intelligent resume parsing and intelligent interview question generation to improve screening efficiency and interview standardization, providing a solid guarantee for the quality of talent recruitment and risk control.

The Company builds a diversified talent recruitment network, integrating channels such as campus recruitment, social recruitment, school-enterprise cooperation, and internal referrals to precisely meet the business development needs. In terms of recruitment channel construction, the Company continuously optimizes the functions of its own recruitment platform, deepens cooperation with mainstream recruitment platforms, and innovatively uses new media matrices such as WeChat mini-programs and Douyin for precise dissemination, achieving a two-way improvement in talent reach efficiency and employer brand influence.



In 2025, the Company focused on promoting industry solution projects and international talent recruitment, strengthening the recruitment and reserve of key talents. For industry transformation and international business layout, SF specially recruited professionals in specific fields. This year, the Company won multiple employer brand awards, including:



SHL

2025 SHL China Talent Management Award–Elite Talent Grand Prize



Zhaopin

2025 China's Best Employer of the Year



Liepin

2025 Extraordinary Employer of the Year



58.com

2025 Most Influential Employer of the Year



Shixiseng

2025 Favorite Employer of the Year

School-Enterprise Cooperation

SF focuses on talent training, educational empowerment, and industry-university-research collaboration, and is committed to building a systematic school-enterprise cooperation system to open up the talent training channel between the industry and education and empower the growth of college students.

Building a Hierarchical Management System and Institutional Guarantee

By establishing a hierarchical management structure covering universities across the country and formulating internal management systems such as the *Management Measures for SF School-Enterprise Cooperation Scholarships*, the Company has transformed school-enterprise cooperation from scattered projects to institutionalized and standardized management, improving the transparency and sustainability of cooperation.

Building a Benchmark Strategic Cooperation Network

In 2025, the Company signed strategic agreements with 8 top domestic universities, deeply participated in the construction of the "SF Class" system, participated in the formulation of talent training programs and curriculum optimization to ensure that teaching content is in line with industry trends. At the same time, the Company supported university discipline construction, provided industry insights, case resources, and practical platforms, creating a model of industry-education integration and forming replicable and promotable experiences.

Deepening Regional Resource Sharing and Base Co-Construction

Represented by the co-construction of the "SF-Chongqing Jiaotong University Talent Training and Internship Training Base", the Company provides students with an immersive practical environment, equipped with real business scenarios, standardized operation standards, professional technical equipment, and a team of senior tutors. The cooperating universities simultaneously provide high-quality students, professional theoretical support, and scientific research and innovation capabilities. The two sides achieve in-depth collaboration through resource integration and complementary advantages.

Build a High-Level Collaborative Communication Platform

SF has officially launched the preparatory work for the "SF School-Enterprise Cooperation Conference", aiming to build a high-level communication platform that brings together school leaders, experts, scholars, corporate management, and alumni. Through result display, best practice sharing, and industry trend discussions, the Company further promotes the integration of platform resources and explores diversified cooperation models covering scientific research breakthroughs, teacher resource sharing, and lifelong learning.

Promote the Digital Transformation of the Entire Cooperation Process

The Company has successfully developed and launched the "Fengxuetong" end-to-end online platform for testing, realizing the digital management of the entire process from school-enterprise connection, agreement signing to project management (scholarships, internships, training) and effectiveness evaluation. It improves information centralization and transparency, providing digital support for the efficient management and continuous optimization of school-enterprise cooperation.





Sign Cooperation Agreements with Universities

Talent Training and Career Development

SF highly values the career development of its employees, laying out clear and diverse career development paths for all employees and providing broad career development space. SF fully supports employees in achieving their personal career goals. The Company has established a scientific and systematic talent training system. Through customized training programs and ability improvement plans, SF comprehensively enhances employees' professional qualities and comprehensive capabilities, empowering employees' growth and injecting continuous talent impetus into the Company's sustainable development.



Talent Training

Adhering to the concept that "talent is the primary productive force", SF continuously improves its talent training system. SF has established standardized training programs, curriculum systems, and evaluation mechanisms covering six key talent teams, including frontline employees, frontline managers, middle-level managers, senior managers, professional talents, and college students. Through a visualized training process, SF effectively stimulates employees' self-drive for learning and development.

SF Talent Training System

Frontline Employees Training	• For employee groups such as couriers, warehouse keepers, operators, and customer service staff, through the establishment and sorting of the knowledge management system, the Company systematically precipitates the ability standards into the positions, continuously improving job competency and performance. At the same time, the Company pays attention to the long-term personal development of employees, helping frontline employees obtain academic improvement and skill certifications. • Based on industry transformation, focusing on the construction of the customer manager team, the Company conducts special hierarchical training such as the "Forging Camp" and "Blade Camp" to accelerate the transformation of new employees and the improvement of key employees. The Company organizes immersive business study tours to promote practice replication and establishes a monthly regular empowerment mechanism to continuously strengthen the team's combat capabilities and provide talent support for business growth.
Frontline Management Team	• The Company conducts systematic training and upgrading for the frontline management team (branch managers). Guided by business operations, through the construction of a "1+1+X" training system and combining multiple forms such as theoretical empowerment, practical drills, and co-creation workshops, it realizes differentiated empowerment in different scenarios, effectively improving the team's combat capabilities and business awareness, and promoting the win-win situation of business improvement and talent growth.
Middle-Level Management Team	• The Company implements the "Fengyun Plan" for the middle-level management team, providing a hierarchical and systematic training plan for the heads of functional departments, covering talents at all stages, including reserves, new appointees, and incumbents. Guided by business goals, through knowledge empowerment, practical operations in key scenarios, co-creation of business plans, and study tours to benchmark enterprises, it conducts training combined with actual combat. It also introduces senior managers for coaching / mentorship and experience inheritance, thus building a sustainable high-quality management talent supply chain to strongly support organizational strategy implementation and business development.
Senior Management Team	• To effectively support business activation, in-depth development of the supply chain, and the implementation of the international expansion strategy, through strengthened practical drills and strategic discussions, the Company effectively promotes the transformation of the business thinking and the improvement of the comprehensive capabilities of the senior management team, enhancing their ability to handle complex environments and seize development opportunities, and ensuring the healthy and sustainable development of businesses.
Professional Team Building	• Focusing on strategic core positions in international business and supply chain, the Company systematically promotes the construction of professional talent teams, iterates the position ability model and qualification requirements, and develops and launches more than 2,500 learning resources, aligning training programs and content with business development needs. • By diagnosing the current situation of key business talents, the Company specifically introduces key measures such as talent recruitment, rotation and replacement, and optimization of the qualification system, constructing a differentiated and customized talent development path, and continuously improving the job competency and professional depth of core position talents.
College Student Team	• Building a systematic and standardized training system for college students. Through a training model that combines "training empowerment, practical exercises, and project challenges", achieving in-depth vertical improvement of professional capabilities and horizontal expansion of business vision. • Continuously refining internal mobility mechanisms, encouraging high-potential university students to rotate across fields and departments to foster the accumulation of diverse experience, and continuously broaden and accelerate career development pathways.

Leadership Development

SF configures leadership training courses and specialized knowledge resources covering all employees (including part-time and contractors) in a hierarchical and classified manner around the talent training system to meet the needs of employees' career development and ability improvement, and effectively support the full implementation of the succession plan. At the same time, relying on the "Fengsheng" platform, a one-stop micro-application for employee development is created. Centering around the four modules of "Post Development-Company Training-Development Planning-Development Opportunities", the Company accurately matches career paths with skill-improvement resources to continuously empower employees' growth.

Frontline Employee Training Programs: "New Salesperson Forging Camp" and "Industry Advancement Blade Camp" Series Training

The Company focuses on the construction of the account manager team and conducts systematic empowerment closely around the business strategy and ability map. By promoting the "New Salesperson Forging Camp" and "Industry Advancement Blade Camp" series training in a hierarchical manner, the Company accelerates the on-the-job transformation of employees and the in-depth professional development of key talents.

In 2025 the Company carried out multiple sessions of the "New Salesperson Forging Camp" and "Industry Advancement Blade Camp" with more than **1,000** participants.



Training Site of the "New Salesperson Forging Camp"

Frontline Management Team Training Program: "1+1+X" Training System

The "1+1+X" training system is a leadership training program for frontline managers. Combining multiple forms such as theoretical empowerment, practical exercises, and co-creation workshops, through scenario-based empowerment and benchmark case exchanges, the Company effectively improves the practical ability and business awareness of the frontline management team.

In 2025 the project accumulated multiple benchmark scenarios. More than **260** training sessions were completed, providing solid talent and resource support for the continuous development of the business.



Training Site of the "X Training Program-Supermarket Scenario"

Middle-level Management Team Training Program: Fengyun Plan

The "Fengyun Plan" provides a hierarchical and systematic training program for the heads of functional departments. Guided by business goals, through knowledge empowerment, key scenario practices, co-creation of business plans, and benchmark study tours and exchanges, it conducts training combined with actual combat. Senior managers are introduced to mentoring and experience inheritance to build a high-quality supply chain of management talents.

In 2025 the Company carried out multiple sessions of the "Fengyun Plan" training with more than **300** participants.



Training Site of the "Fengyun Plan"

Senior Management Training Program: Beacon Training Camp

The "Beacon Training Camp" focuses on the comprehensive leadership of business area managers. Through industry visits, strategic sand-table exercises and other forms, it continuously improves the business insight and strategic thinking ability of business area managers, drives the sustainable growth of regional business performance, and ensures that the Company maintains a leading edge in the fierce competition.

In 2025 the Company carried out multiple sessions of the "Beacon Training Camp" training with more than **200** participants.

Newly-recruited Employee Training Program: Qifeng Plan

The "Qifeng Plan" designs a systematic curriculum around the three modules of "culture, company, and business". It adopts a model that combines "learning and practice" to promote the implementation of knowledge, cultivates high-quality talents with SF spirit. At the same time, it helps to precipitate the professional wisdom of introduced talents and create a positive organizational atmosphere, laying a foundation for the standardized management and orderly development of the talent echelon in the functional system.

In 2025 the Company carried out more than 10 sessions of the "Qifeng Plan" training with more than **1,100** participants.



Training Site of the "Qifeng Plan"

Professional Ability Development

SF continuously deepens the construction of the professional talent team and continuously improves the post standard system. In 2025, the Company completed the formulation of promotion standards for multiple core positions, providing an authoritative basis for the identification, selection, and training of key talents. At the same time, the Company iterated the qualification standards for multiple core positions and the supporting question bank, providing standardized support for the entire process of talent “selection, training, employment, and retention”, and further improving the scientificity and transparency of talent management.

In terms of talent training, SF closely aligns with strategic orientation and core business goals. The Company precisely identifies the talent teams in key business areas such as international affairs, the industry, and warehousing supply chain. The Company systematically assesses the current situation and development gaps of the teams and formulates differentiated construction strategies and plans. Through nine key measures, including talent recruitment, personnel replacement and rotation, external benchmarking learning, key position inspections, focus on key regions, training of outstanding talents, development of qualification courses, implementation of empowerment training programs, and construction of basic training resources, the Company comprehensively enhances the professional capabilities of key business teams. Meanwhile, based on the position-ability model and knowledge panorama, the Company gives priority to allocating training resources. SF has developed and launched over 2,500 learning resources in total, continuously empowering employees’ professional growth.

To further accumulate organizational wisdom and stimulate innovation vitality, the Company explored and launched the “SF Innovation and Benefit-Creation Competition” and the “Expert Think Tank” mechanism this year. It built a platform for experience sharing and intellectual aggregation, effectively enhancing the organization’s innovation momentum and professional collaboration efficiency.

SF Innovation and Benefit-Creation Competition

Focusing on solving practical problems and realizing value, through the setup of links such as independent topic selection, team-based problem-solving, creative roadshows, expert guidance, and implementation of benefit-creation projects, the competition gathers innovative ideas from professional talents in various fields of the Company.

In 2025, the first-ever competition attracted participants from multiple regions across the country. It successfully incubated high-value projects involving innovations in business models, processes, and products. It achieved a key leap of the innovation model from “random events” to a “manageable and sustainable process”.



The on-site of the SF Innovation and Benefit-Creation Competition

Expert Think Tank

Through a digital platform that hosts high-quality expert resources both inside and outside the Company, it realizes full-process online management from expert identification, demand matching, service delivery to evaluation and feedback. It covers all levels from simple problem consultations, resource connections to the provision of complex solutions and collaborative business development.

In 2025, the Expert Think Tank platform completed multiple demand matchings, effectively enhancing the efficiency of expert talents and the level of business innovation, and achieving a win-win situation of realizing talent value and increasing enterprise benefits.



The on-site of the SF Expert Think Tank event

Digital Ability Development

While promoting digital and intelligent transformation, SF also promotes the reshaping of employees’ digital capabilities. By building a full-cycle digital learning platform and integrating diverse resources such as video courses, special lectures, and case knowledge bases, covering dimensions such as cross-cultural collaboration, professional skills, and management capabilities, it supports global employees’ self-learning, enabling personal growth to resonate with enterprise development.

In 2025, the Company optimized and upgraded its internal learning system, actively introduced intelligent tools and high-quality external course resources, and increased the course development efficiency by over 50%. At the same time, the Company upgraded the knowledge-pushing ability, built a personalized learning homepage for each employee based on their positions and learning interests, realized precise matching and personalized recommendation of learning content, effectively expanded the knowledge horizon of trainees, and improved the overall learning efficiency.



Cultural Education

With the in-depth implementation of the internationalization strategy, SF continuously strengthens the training of cross-cultural collaboration capabilities. In 2025, it launched the "Cross-Cultural Communication Management" course for all employees, laying a foundation for building an inclusive and collaborative work atmosphere.

Meanwhile, the Company carried out a variety of special cultural education activities to systematically promote cross-cultural integration and global talent reserve.

The Company precisely carried out cross-cultural adaptation training, providing special cultural adaptation training on the culture, business rules, and social etiquette of the host country for overseas-dispatched employees.

The Company regularly organizes cross-regional exchange and learning activities for employees of different nationalities, building a real-scene cross-cultural communication platform.

The Company improved the global talent reserve system, implemented unified management and standardized training for global college students, and consolidated the professional and cultural foundation for their employment.

The Company implemented special training for global reserve management talents through methods such as course learning, headquarters practice, and cross-regional project experience, creating a core talent echelon with a global vision and cross-cultural management capabilities.

To further unite the thinking and consensus of all employees and lead the Company's sustainable development, in line with the business and strategic development needs, SF released the *SF Cultural White Paper* in 2025, establishing the core values of "customer-centered, honesty-based, and love-oriented". During the reporting period, the Company took multiple measures to promote the implementation of corporate culture construction: it organized all employees to sign cultural practice commitment letters, clarified the cultural behavior norms for each position, and united the cultural consensus of all employees; through various forms such as consensus communication, training empowerment, integrating culture into the system, and promoting exemplary models, it comprehensively carried out the full-scale promotion of cultural concepts, and promoted the in-depth integration of corporate culture into business management and daily behavior.

Talent Base Development

Based on the group's talent strategy deployment, the Company has coordinated the construction of talent growth bases in four locations, namely Dongguan, Ezhou, Beijing, and Chongqing, to build a talent training network covering key regions across the country. All bases adhere to unified operation service standards and create an integrated "empowerment and certification" training system to achieve intensive coordination of learning resources and systematic precipitation of excellent practices.

In 2025, the four bases carried out multiple training sessions, covering key groups such as new employees, account managers, college students, and branch managers. Through systematic operation, the bases not only effectively empower the professional ability improvement of talents at all echelons but also become an important carrier for corporate culture dissemination and organizational consensus building, continuously injecting high-quality talent impetus into the Company's sustainable business development.



Unveiling Ceremony of Ezhou Talent Growth Base



Launch Site of Ezhou Talent Growth Base

Curriculum and Lecturer Ecosystem Development

In the construction of the curriculum ecological system, the Company has continuously improved the digital curriculum platform and resource system, introduced innovative tools such as automated curriculum introductions and intelligent question-setting, significantly improving the efficiency and quality of curriculum creation. The Company systematically promotes the development and long-term operation of curriculum resources around core topics such as industry empowerment, international expansion, and corporate management. In 2025, the Company pushed more than 200 high-quality special courses, covering key areas such as “artificial intelligence, business scenario development, industry supply chain, and international expansion”, with over 100,000 person-times of learning coverage.

In 2025

more than **21,000** new online training courses were added, among which multiple courses were organization – certified and group-level certified, forming a multi-level, high-quality curriculum resource network.

In terms of the training and development of the lecturer team, the Company continuously promotes the construction of the lecturer talent system, aiming to improve the professional abilities of lecturers and perfect the incentive mechanism. Through a market-oriented operation model, it gives lecturers the right to set prices independently and the flexibility to arrange courses, promotes the continuous optimization and iteration of course content through market feedback, and stimulates the internal motivation of the lecturer team.

By the end of 2025

the Company’s pool of trainers exceeds **12,000** people. The activity rate of lecturers increased by **9.5** percentage points compared with the previous year, gradually building a professional and dynamic lecturers team.

Warmth on Teachers’ Day: Paying Tribute to Guides – Lecturers Care Activity in 2025

On September 10, 2025, the Company launched a Teachers’ Day care activity for lecturers. It set up three core sections: gift-giving and greetings, offline activities, and honor selection, to convey corporate care and enhance lecturers’ sense of honor. During the activity, the Company carried out the “Gift-giving to Lecturers” activity, presenting flowers to lecturers; held an offline theme activity named “Mentorship Spanning Mountains and Rivers, Knowledge Spreading Far and Wide”, with over 4,000 lecturers participating in various interesting sessions; and simultaneously selected and commended outstanding lecturers for 2025. A total of 121 “SF Good Lecturers”, 39 “Best Course Creators”, 67 “SF Good Tutors”, and 54 “SF Good Mentors” were selected.





The Scene of the Lecturer Care Activity



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 self-development.



"SF Sends You to University" Program

Through the "SF Sends You to College" project, the Company builds a growth platform for employees to improve their academic qualifications, skills, and comprehensive qualities. The Company also formulates the *"SF Sends You to College" Project Management Measures* to standardize the subsidy policy for academic and skill improvement. SF provides financial support for all employees (including part-time and contractors) who meet the application conditions, helping them improve their academic qualifications and professional qualities and facilitating their career development.

In 2025

2,158
Number of employees who completed the "SF Sends You to College" program and obtained academic certificates or credentials

Over RMB**5.36** million
Cumulative subsidies granted to employees under the "SF Sends You to College" program

Breaking Through with Learning, Achieving Long-Term Success with Perseverance – The Growth Path From a Frontline Courier to an Operations Supervisor

He Xiujie, an SF employee, joined SF in 2013 and started from the frontline courier position. Over the past decade, he has been deeply involved in the business, worked hard at his post, and fulfilled his duties. In 2023, with the support of the "SF Sends You to College" project, He Xiujie applied for further education for a junior-college-to-bachelor's degree, continuously improving his knowledge reserve and comprehensive abilities. His management thinking and collaboration skills have been further optimized. Relying on years of frontline business experience and the tempering of further education, He Xiujie has now been successfully promoted to an operations supervisor, responsible for managing nearly a hundred couriers. His growth trajectory vividly demonstrates the win-win concept of the Company and employees growing together.



The "SF Sends You to College" Project Provides Support for Employees' Academic and Skill Improvement

Vocational Skills Certification

The Company continuously improves the diversified employee learning and development system, focusing on enhancing employees' professional abilities and industry competitiveness. In 2025, on the basis of the existing support mechanisms for qualification certifications, high-level certificate training, and short-term overseas assignment projects, the Company further optimizes the overseas assignment learning mechanism, achieving refined and highly adaptable upgrades, taking into account both fairness and cost-effectiveness; refines the definitions and evaluation criteria for qualification certificates and high-level professional certificates, providing clear guidance for employees' training applications, and ensuring that training resources accurately empower the construction of core professional abilities. In addition, to build a learning-oriented organization and cultivate high-quality talents, the Company provides tuition subsidies for third-tier high-performing employees applying for on-the-job master's degrees, MBAs, and other academic improvement projects. At the same time, the Company actively encourages employees to participate in external professional skill competitions and independent plans and conducts internal skill competitions, such as the first "Little Bee Cup" Craftsman Skill Competition in 2025. It also gives special rewards to employees who achieve excellent results in various competitions, promoting learning and improving abilities through competitions, and comprehensively motivating employees to improve their professional skills.



The 5th National Postal Industry Vocational Skill Competition

In the national finals of the 5th National Postal Industry Vocational Skill Competition in 2025, a total of 40 SF employees were successfully selected through the city-level and provincial-level competitions. In the competition, 17 people won awards, including 3 first-prize winners, 3 second-prize winners, and 11 third-prize winners. In addition, 2 previous award-winning contestants served as technical guides and were awarded the Excellent Technical Guide Award. The Company gave administrative points and cash rewards to all the award-winning employees, fully recognizing their professional abilities and performance in the competition.



The 5th National Postal Industry Vocational Skill Competition

The first "Little Bee Cup" Craftsman Skill Competition in 2025

In 2025, SF held the first "Little Bee Cup" Craftsman Skill Competition, covering six core positions such as couriers, drivers, transfer operators, and warehouse keepers. A total of 337 contestants advanced to the national finals, and finally 42 contestants stood out and won the championships, runner-up, and third-place awards. According to the development and honor incentive mechanism for award-winning employees, the Company provided administrative point rewards, a fast-track for career development as management reserves, an online label of "Blue-collar Craftsman" skill honor, and knowledge precipitation and dissemination for the award-winning contestants, promoting the in-depth integration of the competition value and employee growth, and fully demonstrating the corporate culture core of "love-oriented".

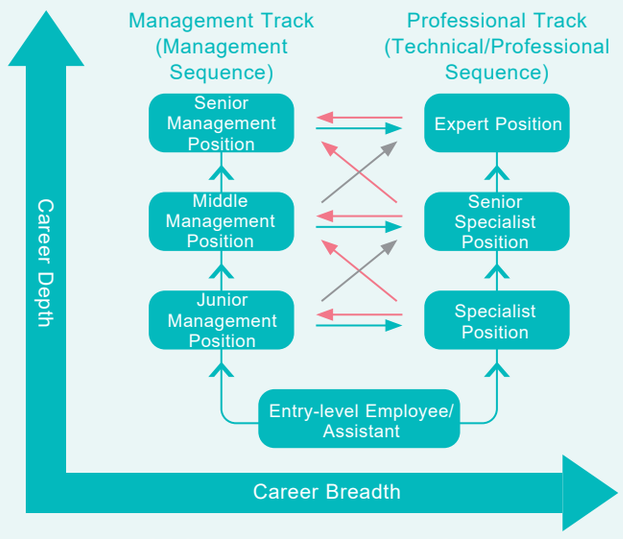


The Scene of the First "Little Bee Cup" Craftsman Skill Competition in 2025

Career Development

SF continuously improves the “dual-channel” career development system, constructing a smooth and freely flowing career development path for employees in professional and management sequences, and providing growth support throughout the entire career development cycle.

In 2025, the Company systematically revised core systems such as the *Talent Management System, Executive Management System, Expert Management System,* and *College Student Management System*. The Company optimized mechanisms such as talent inventory and judge management. The Company also improved the appointment standards and training plans for executives, and strengthened the training systems for experts and college students. By improving the institutional foundation, the Company further clarifies the career development paths for different talent echelons. Relying on performance, experience, and multi-dimensional ability standards, the Company creates a transparent and fair promotion environment. Through standardized development procedures and appointment mechanisms, the Company ensures that talents are objectively evaluated and effectively motivated, helping outstanding talents to stand out.



SF Career Development Dual Channel

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 Recommendation Mechanism

To quickly respond to the urgent demand for talents in the diversified development of the business, relying on the systematic corporate structure, on the basis of existing mechanisms such as reserve selection and public recruitment, SF launched a talent recommendation mechanism in 2025, granting the authority to recommend talents to managers, professional committees, and outstanding frontline representatives. Relying on internal online applications, the Company realizes end-to-end closed-loop management of “instant discovery, instant emergence, and instant development” of outstanding talents.

By authorizing frontline employees to identify talents, the Company quickly expanded the high-quality talent reserve of each organization. Since the implementation of the mechanism, more than 1,000 people have been recommended and identified, and many of whom have successfully been selected into the reserve echelon for key positions or officially taken up their posts. The in-depth promotion of the talent recommendation mechanism is gradually creating an organizational atmosphere of “everyone recognizes talents, everyone recommends talents, and everyone loves talents”, injecting development momentum into the construction of the talent echelon.

Talent Succession Plan

The Company attaches great importance to the construction of talent reserves for key positions, and builds a systematic cadre succession system and cadre assessment and evaluation system to provide solid organizational and talent support for the high-quality development of the business.

Cadre Succession System

In 2025, on the basis of the existing reserve echelon training system, the Company further implemented a key position succession system, widely selecting high-performance and high-potential talents as successors for middle and senior managers, and implementing a customized training plan of “one person, one strategy” with practical experience as the core to ensure comprehensive succession planning and development programs at multiple levels.

For successors of the senior management, the Company adheres to the principle of “selecting the best from the best”, establishes an internal talent resource pool, and designs customized training programs around strategic leadership. Through a combination of training and practice models such as sharing of executive practical experience, leadership improvement workshops, and visits to industry benchmark enterprises, multiple successors successfully achieved position promotions throughout the year, injecting fresh blood into the strategic decision-making level.

For successors of regional leaders, the Company conducts in-depth analysis of job responsibilities and key scenarios, and constructs an integrated mechanism of “selection-training-experience”. By combining internal recruitment and external recruitment, the Company expands the talent resource pool, sets up challenging job rotations for experience, and supplements with multi-dimensional evaluations such as mentor guidance, periodic evaluations, and peripheral interviews to ensure that the abilities of successors are highly matched with job requirements. In 2025, multiple successors were identified to enter the job experience stage, reserving high-quality talents for key positions.

Cadre Assessment System

To promote organizational self-innovation and maintain continuous vitality, the Company continuously improves the cadre assessment mechanism, conducting an objective, real, fair, and prudent comprehensive evaluation of incumbents through cultural review, ability assessment, work style supervision, and peripheral feedback. Guided by the concept of “actively identifying talents, precisely cultivating talents, and sincerely nurturing talents”, this mechanism effectively implements the talent selection goal of “selecting the virtuous and capable”, providing strong support for the stable operation of the business, the implementation of strategies, and the construction of corporate credibility.

Special Topic

Supporting Employees' Multi-Faceted Development and Living a Vibrant Life with a Thousand Facets

SF always believes that every employee has infinite potential. At SF, every dream is worth being supported, and every passion has the opportunity to shine.

From the Ground to the Cloud: The "Fengyi Action" Fulfills Employees' Flying Dreams

The internal recruitment program for pilots under the "Fengyi Action" from 2024 to 2025 has been successfully implemented. After nine months of interviews, selections, and pilot recruitment physical examinations, two employees, Xin Jiawang and Wei Shengfu, have been successfully selected as flight cadets. Since 2007, the Company has helped nearly 120 employees achieve career transitions, covering professional positions in the aviation field such as pilots, flight dispatchers, and aircraft maintenance personnel. Among them, there are many outstanding talents who have emerged from frontline positions.

From "Ground Protection" to the "Air Domain", to Make Safety Assurance More Comprehensive.

Xin Jiawang joined SF as a line aircraft maintenance technician in August 2022. He is responsible for pre-flight, short-stop support, and post-flight maintenance of 737 and 757 aircraft models on a daily basis, and has been deeply involved in the front line of aircraft safety assurance. He seized the opportunity of cross-position career transition provided by the Company and was successfully selected as a flight cadet.

Xin Jiawang hopes to integrate his aircraft maintenance experience into flight practice, and work with the team to improve the operation manual for special weather, so as to form a closed-loop of "ground maintenance" and "air driving" experience. At the same time, he will participate in the optimization of freight routes from the perspective of "understanding both aircraft performance and logistics timeliness", making each flight safer and more efficient, and firmly taking over the career relay baton from "flight support" to "flight leading".





From "IT Escort" to "Cloud-Based Assurance", to Protect Express Deliveries "One Step Higher".

Wei Shengfu graduated and joined SF in 2023, becoming a back-end R&D engineer in the SF Aviation IT department, focusing on the development and maintenance of core systems related to air freight. He signed up for the pilot selection and was successfully selected, moving from behind the scenes to the front, from system building to aircraft operation.

Wei Shengfu hopes to bring the systematic thinking and rigorous work style accumulated in the IT field into the cockpit, become a professional pilot with solid skills and excellent work style, and become a direct force in ensuring the "highest level" of logistics timeliness.

Empowering Frontline Couriers: Broadening Diverse Career Development Paths.

SF also attaches great importance to the career development and growth empowerment of frontline couriers. In 2025, **nearly 10,000** frontline couriers embarked on diverse development paths, covering **24** key positions or fields, and started their own multi-faceted lives in the journey of pursuing their career dreams.

1,674 people
Transformed into professional and technical talents.

Approximately **1,700** people
Embarked on the operation or management route.



Digitalization of Talent Development

The Company continues to improve the digital system for talent development, and focuses on building an end-to-end, automated, and standardized talent management platform to comprehensively improve the efficiency of talent development activities.

In 2025, the Company optimized the talent development process specifications and risk management and control mechanisms, opened up the automated application of each link, simplified system operations such as skill certification and career development application, and improved the organizational operation efficiency and risk resilience-. At the same time, the Company iterated the talent label system and built a label library covering more than 1,000 core labels, objectively depicting employees' core capabilities through multi-dimensional data. The label application has been implemented in scenarios such as accurate talent matching and selection and promotion, and in the future, it will provide systematic support for the entire process of talent "selection, training, utilization, and retention".

In addition, the Company actively explores the innovative application of intelligent technology in the field of talent development and promotes the intelligent capability certification tool. As an intelligent module of the talent evaluation and certification system, this tool can accurately identify the ability gap and provide data support for customized training and talent standard iteration.



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.

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.

By 2025

59

Number of couriers promoted to full-time pick-up and delivery mentors

Rejoining as of December 31, 2025

43

Number of retired employees

In addition, the Company holds exclusive retirement ceremonies for retired employees to pay tribute to their years of perseverance and dedication, and convey the Company's gratitude and care.



Re-employment After Retirement



Retirement Ceremony

Performance Management and Compensation Incentive

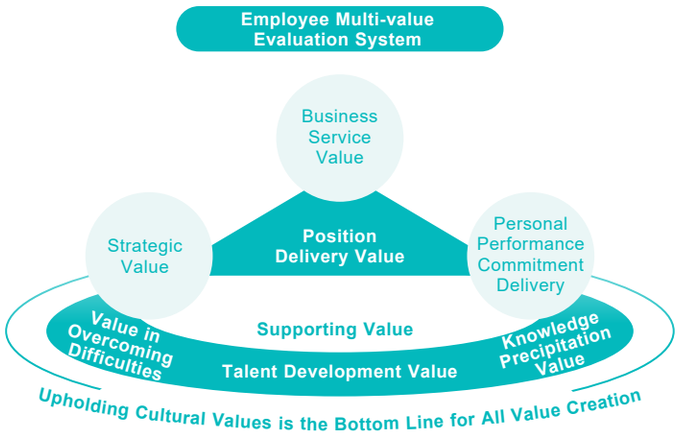
The Company is committed to building a scientific and fair performance management and compensation incentive system, objectively and comprehensively evaluating the value creation of employees, fully stimulating the vitality and stability of the talent team, and promoting the common growth of employees and the Company.

Performance Management

SF has established a scientific and efficient performance management mechanism for all employees, implementing monthly, quarterly, and annual performance appraisals for different job categories and levels. The appraisal results serve as the core basis for key matters such as salary adjustment, position promotion, and bonus distribution, ensuring the effective connection between the Company's strategy, organizational performance goals, managers' personal performance commitments, and employees' personal performance commitments, promoting the in-depth integration of organizational development goals and employee growth, and continuously guiding employees and the Company to make progress together. At the same time, the Company closely links performance with compliance with behavioral guidelines, and strictly handles situations where employees violate the Company's behavioral guidelines in accordance with relevant regulations to ensure the healthy and orderly operation of the organization.

Upgrade the Employee Multi-value Evaluation System

In 2025, the Company completed the upgrade of the employee multi-value evaluation system. It disassembled and reconstructed the original on-post delivery value into three major dimensions: **business service value, strategic value, and personal performance commitment delivery**. This system upgrade strengthened the strong correlation between employees' post value, performance appraisal, and the Company's business results. Horizontally, it drives the value transformation of "customer-centric", promotes the front, middle, and backend services and support for the customer-facing end to create business value; vertically, it guides each position to focus on the realization of the group's medium-and long-term strategic value, effectively ensuring the efficient advancement of strategic projects.



Improve the Employee Performance Evaluation Mechanism

Strengthen Performance Plan Management: Combine with the annual work plan, optimize the employee goal setting and undertaking logic, promote the in-depth alignment of post work delivery with the group's strategic goals, strengthen the full-process control of goals, and clarify the standards and directions for post value delivery.

Refine performance grade levels: Use refined grade design to guide employees' continuous growth, accurately identify each growth and progress of employees, achieve efficient allocation and precise investment of incentive resources, and give full play to the incentive-guiding role.

Strengthen the correlation between organizational and individual performance: Set the proportion range for linking individual performance results with organizational performance, encourage employees to strive for the realization of organizational performance goals, and strengthen the shared results between individuals and the organization.

Clarify the performance evaluation rules for special groups: Develop exclusive evaluation rules for groups such as newly recruited employees, newly appointed cadres, and employees with job changes, provide them with a buffer space for work, study, and role transformation, and improve the scientific and human-oriented level of performance management.

Set red-line constraints for performance grades: Incorporate compliance requirements such as employee code of conduct, business ethics, and information security into the bottom-line standards for performance evaluation. Dispose of relevant compliance issues seriously in accordance with the Company's reward and punishment management measures. At the same time, set the annual performance grade threshold according to the severity of the punishment to strengthen the foundation for the implementation of corporate culture and values through red-line management.

Promote the Digital Upgrade of Performance Management

Build an online platform for post work processes: The platform integrates the value output of all-scenario work around three core dimensions: professional flow, task flow, and collaboration flow. Incorporate multi-dimensional evaluation results into the multi-value evaluation system, and achieve clear and visual presentation of value contributions through the multi-value dashboard.

Digitally empower fair performance evaluation:

- Develop a differentiated performance grade evaluation scale, embed it in the performance evaluation tool and make it fully public to managers and employees to ensure the transparency and unity of evaluation standards.
- Connect multi-dimensional data links, aggregate employees' value contribution data from various dimensions through the online multi-value dashboard as an important reference for performance evaluation.
- Add performance calibration rules in the annual evaluation. If there is a large deviation between the annual performance result and the quarterly performance average, value evidence needs to be submitted to effectively avoid the "recency effect" in managers' evaluations and prevent employees' long-term contributions from being ignored.

In addition, the Company has established a regular performance feedback and communication mechanism. Through regular performance interviews, the Company ensures the fairness and transparency of the performance appraisal process, helps employees identify their own advantages and development potential, and formulates targeted improvement plans accordingly. To improve the effectiveness of interviews, the Company relies on online management tools to monitor the implementation of managers' interviews and the signing progress of improvement plans for employees with performance to be improved. At the same time, the Company also launches a performance management knowledge map to empower managers to improve their performance coaching ability and help employees grow continuously. Around the goal of human capital development, the Company has achieved a 100% coverage rate of employees receiving regular performance evaluations.

In 2025 the coverage rate of employees receiving regular performance evaluations reached **100%**

Compensation Incentive

SF adheres to the compensation concept of “high performance, high return” and constructs a compensation system based on post value and performance-oriented, emphasizing that the return is closely linked to value creation. For different job types and talent strategies, the Company implements a differentiated compensation strategy to ensure that employees’ compensation has both internal fairness and external market competitiveness.

The Company establishes a performance-based incentive pay structure covering all employees, using the assessment results as an important basis for salary adjustment, promotion, and bonus distribution to encourage employees to grow together with the Company. For employees with high-value contributions, the Company provides competitive market-based compensation returns. Through a differentiated and diversified combination of long-and short-term incentives, it attracts and retains key talents, aligns the long-term interests of the core team with those of shareholders and the Company, and injects strong impetus into the Company’s long-term sustainable development.

To ensure the fairness and transparency of the salary system, the Company has established a comprehensive salary communication channel. By combining online salary inquiry tools with in-person interviews, the Company helps employees clearly understand their salary structure. Meanwhile, the Company regularly reviews the salary incentive mechanism, systematically analyzes market competitiveness and internal fairness to ensure that the salary level is fair, reasonable and attractive. In 2025, the Company commissioned a third-party company to conduct a salary competitiveness survey on key positions, covering multiple job categories such as frontline pick-up and delivery staff and functional positions. The survey results were applied to the formulation of job salary standards and the review of salary health. The survey data indicate that SF's overall compensation is highly competitive in the market.

In addition, in 2025, the Company launched the “Grow Together” shareholding scheme (A shares) to further guide the long-term joint development of employees and the Company, achieving a deep binding of the long-term interests of employees and shareholders. This employee equity program has a wide coverage, including directors (excluding independent directors and actual controllers), senior management, core management and core backbones (including frontline employees such as pick-up and delivery staff and operation staff). Through establishing and continuously improving a long-term interest-sharing mechanism among employees, the Company and its shareholders, the Company has not only effectively enhanced employee cohesion, motivation and creativity, but also encouraged key talents to shift their mindset from that of “managers” to that of “partners”, thereby fostering a stronger sense of ownership and consolidating the Company’s long-term competitiveness.



Protecting Employee 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.

Protection of Employee 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 implements 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 establishes a human rights protection mechanism covering the whole employment cycle.

To ensure compliance with human rights protection, the Company continuously strengthens the monitoring and due diligence of human rights risks in its own operating sites, value chains, other activities related to business, new business relations (mergers, acquisitions, joint ventures, etc.) and potential issues, protecting the rights and interests of all stakeholders within the scope of its business. In 2025, no major human rights compliance risk events were found in the Company.

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.

To effectively protect labour rights and interests and fully implement the commitments in the *Declaration on the Protection of Employees' Rights and Interests*, the Company systematically assesses and manages human capital risks. Through regular monitoring and periodic reviews, the Company ensures continuous compliance and efficient management. The Company conducts a comprehensive statistical review at least once a year, focusing on the following core indicators:

- Provide a market-competitive salary and regularly conduct dynamic reviews of salary competitiveness based on market salary survey results.
- On the basis of statutory benefits, add diverse non-statutory benefits such as supplementary insurance, additional allowances and additional leave.
- Monitor working hours including overtime management to ensure employees' reasonable rest rights.
- Pay overtime remuneration in full and on time in accordance with the law to ensure the compliance and transparency of salary payment.
- Adhere to the principle of equal remuneration for men and women to ensure the fairness of salary distribution.
- Regularly engage with employees' representatives on working conditions, continuously promote the improvement plan for living conditions, and focus on solving practical problems such as employees' living environment.

To smooth the channels for employees to express their demands, the Company has established a diversified communication and reporting mechanism. Internal and external stakeholders can provide feedback or report labor rights-related issues through various channels such as employee symposiums, regular meetings, the labor union hotline (4006 883 783), the group audit email (sf5198@sf-express.com), the internal online platform "I Want to Speak Up", and employee satisfaction surveys. For reported matters that are verified, the Company will handle them seriously in accordance with the *Regulations on Rewards and Penalties*, and take corresponding human rights mitigation and remediation actions to minimize negative impacts. In case of serious circumstances, the matters will be transferred to the judicial authorities in accordance with the law.

Prohibition of Child and Forced Labour

SF strictly prohibits the use of child labor, any form of forced labor, and human trafficking, and strictly complies with the laws and regulations of the operation location and international human -rights standards. In the recruitment and onboarding process, the Company requires all applicants to register their personal information in real-name through the online system, and the system automatically identifies the age to prevent people under 18 from entering the interview. At the time of onboarding, face-recognition technology is used to verify the identity to ensure that the person matches the ID. At the same time, the Company requires third-party partners to submit relevant certification documents to ensure that their labor management meets SF standards and prevent human rights violations at the source.

Working Hours and Welfare Protection

SF clearly stipulates working hours in *the Employee Handbook, Attendance Management Regulations and Labor Contract*, and provides 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. The Company strictly implements the overtime approval system, eliminates forced labor, guarantees employees' rest time, and pays overtime pay in full and in a timely manner according to the overtime hours to fully protect employees' rights and interests.

All employees enjoy equal rights and interests protection, and the same standards are applied in employee management and rights-and-interests protection. Temporary employees sign contracts or agreements in accordance with the law, receive full labor remuneration, and are covered by employer liability insurance (including accidents) or work-injury insurance. The Company attaches great importance to the protection of employees' rights and interests during major changes. In case of restructuring or major adjustment, the Company will explain the situation to the trade union or all employees 30 days in advance, and properly handle labor-contract-related matters after fully listening to the opinions. During this year, there were no major layoffs or strikes in the Company.

Diversity, Equality and Inclusion

SF is committed to building a diverse, equal, and inclusive global workplace environment, fully respects cultural differences in different regions, and strictly prohibits any form of discrimination. The Company implements the principle of equality throughout the whole process of employee recruitment, promotion and development, and salary management to ensure that there is no differential treatment due to factors such as gender, region, ethnicity, religious belief, or economic ability.

Recruitment

Under the principles of fairness and equality, the Company has 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 selects and promotes talents through open and transparent internal competitions or appraisals, providing equal promotion opportunities for all employees.

Remuneration management

The Company implements a fair, just, and transparent remuneration management system, and adheres 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

SF continuously promotes the construction of a diversity, equality, and inclusion (DEI) culture. Through systematic human rights culture promotion and cross-cultural integration practices, SF creates a workplace atmosphere that respects differences and promotes fair development.

Diversity, Equality, and Inclusion (DEI)

- During the reporting period, the Company organized all employees to participate in the publicity and implementation meetings of the *Employee Handbook* and the *Declaration on the Protection of Employees' Rights and Interests* to ensure that 100% of all employees received human rights training on diversity, anti-discrimination, and anti-harassment.
- A special training course titled *Diversity, Equality, and Inclusion: Improvement of Personal DEI Competence* was launched, covering 2,155 trainees with an average learning time of about 1 hour. The course focuses on core contents such as anti-discrimination and respect for differences, effectively improving employees' awareness and application ability of the DEI concept.

Support for Women's Leadership Development

- The Company offers the *Systematic Course on Women's Leadership* for female employees to help enhance their management qualities and promote gender equality and equal career-development opportunities.

Building a Global Collaborative and Communicative Ecosystem

- The Company coordinates global employees to celebrate traditional Chinese and foreign festivals, enhancing emotional resonance and cultural identity through cultural sharing and custom interactions. The Company also regularly organizes offline exchanges for global management and professional and technical personnel, and invites overseas employees to visit and discuss at the headquarters to promote business collaboration and cultural integration.
- The Company releases a globally unified employee-behavior guide, integrating the concept of multicultural inclusion into standardized norms to guide global employees to respect cultural differences and practice the group's core values, and continuously build a harmonious and inclusive global workplace ecosystem.

Diverse Talent Team

SF adheres to the concept of diversified recruitment, actively recruits outstanding female employees, promotes local employment, and expands channels to introduce foreign talents to support the high-quality development of the enterprise with a diverse talent team.

In 2025, female employees of SF accounted for 15.9%; Minority employees account for 6.3%. Among senior management, women accounted for 29%, a 0.5% increase compared to 2024. Meanwhile, SF's overseas branches and subsidiaries are also actively hiring local personnel from operating places. As of the end of the reporting period, there were 3,381 foreign employees on the job, an increase of 31% compared with 2024.

Number of senior managements	Number of women senior managements	Percentage of women in senior management	Increased compared to 2024
428	124	29%	0.5%

Proportion of women in revenue-generating functional management positions	Proportion of women in STEM-related positions
20.6%	27%



Employment Support for Vulnerable Groups

On the premise of meeting job requirements, the Company actively provides employment opportunities for social vulnerable groups, matching them with job types with lower physical intensity such as customer service and warehouse management, and promotes employment fairness with practical actions. As of the end of the reporting period, SF has provided employment positions for more than 1,500 people with disabilities. At the same time, SF provides support for disabled employees to perform their duties. For example, SF sets up disabled restrooms in the office area, opens a caring passage during the morning rush hour, and formulates special regulations on remote work for positions such as customer service that can be handled online, allowing disabled employees to work from home to reduce their commuting inconvenience.

As of the end of the reporting period	SF has provided employment positions for more than 1,500 people with disabilities

Anti-discrimination and Anti-harassment

SF has a zero tolerance policy for discrimination, 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 online, and at the same time conducting anti-discrimination and anti-harassment awareness campaigns through emails and training in various regions offline, so as to create a healthy and equal workplace environment.

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: 27 nursing 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, miscarriage leave, breastfeeding leave and dysmenorrhea leave.
- Health care: Organize female employees with free female health screening checks for cervical cancer and breast cancer, covering more than 7,700 people; 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.

2025	27 Number of maternity rooms	About 7,700 people Number of female employees with free cervical and breast cancer screenings

Facilitating Employee Voice

SF attaches great importance to employees' voices and suggestions, builds diversified, open, transparent and responsive voice channels, and encourages employees to offer suggestions 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 the regular telephone (trade union hotline), online channels ("I Want to Speak" platform), and email channels, the Company, in combination with different business scenarios, innovatively builds special communication mechanisms such as the "Trade Union Visit" and Labor Dispute Mediation Center, forming a comprehensive and timely -responsive employee demand feedback system to ensure that employees' voices are responded to and effectively resolved in a timely manner.

Communication Channel for SF Employees

I Want to Speak

To collect frontline feedback more timely and accurately, the Company comprehensively integrated the voice-expressing channels in 2025 and unified built the "I Want to Speak" platform, integrating the voice-transmitting and echo-receiving function modules. All channel data is integrated into the voice dashboard to achieve all-dimensional visual analysis and dynamic tracking of employees' demands. At the same time, a classification-based processing mechanism is established for different types of feedback, and the whole process of acceptance, closure, and evaluation is systematically monitored to ensure that the demand-handling process is efficient, transparent, and effective.

In 2025

116,989
Number of demands handled throughout the year

97.6%
Resolution rate

Employee Care Hotline (4006 883 783)

To ensure that the employee demand channels are unblocked throughout the year, the Company has set up an employee care hotline, covering weekdays and holidays, to provide employees with timely psychological support and problem-solving channels.

This year, the Company, in cooperation with China Unicom, implemented centralized and unified management of the national hotline, implemented the "Three-having" service standard of "efficiency, quality, and warmth", and set up two key indicators of service efficiency and service quality, continuously optimizing the response mechanism to ensure the steady improvement of the employee care service level.

In 2025

25,441
Phone calls received by the Employee Care hotline Centre

98.8%
Hotline connection rate

Trade Union Visit

As a regular communication mechanism of the Company, the "Trade Union Visit" conducts reservation-based visit and research among all employees every quarter. Through in-depth on-site and face-to-face communication by trade union cadres and representatives, the Company systematically understands employees' demands in terms of work environment, welfare protection, and career development, and timely feeds back the collected opinions and suggestions to relevant departments to form a closed-loop processing mechanism.

In 2025

Over **1,100**
Employee visit needs

99.7%
Union on-site attendance rate

Labor Dispute Mediation Center

Focusing on employees' interest demands, the Company establishes and improves a negotiation and dialogue mechanism, sets up a labor dispute mediation committee, and formulates the *Working System of Labor Dispute Mediation Committee*, aiming to resolve conflicts at the grass-roots level and in the budding state, striving to achieve "no conflicts handed up and no disputes leaving the station", and effectively maintaining the harmonious and stable labor relations.

In 2025

Over **104**
Handling labor mediation disputes

Democratic Management

The Company fully respects employees' rights to freedom of association and collective bargaining, continuously promotes the construction of the democratic management system, continuously optimizes frontline-communication channels, and effectively enhances employees' sense of participation and well-being. In 2025, the Company added the *Promotion and Protection Mechanism for Trade Union Representatives and the Panoramic Map of Promotion and Training for Trade Union Representatives*, and completed the revision of the *Management System for Trade Union Representatives*, further improving the training and protection mechanism for trade union representatives and consolidating the foundation of democratic management.

The Company elects employee representatives through democratic elections every year and regularly holds employee representative meetings to discuss and communicate on matters involving employees' vital interests, such as salary subsidies, insurance benefits, and vocational training. In 2025, the Company held a total of 17 online employee representative meetings, fulfilling democratic procedures for 20 rules and regulations, including the *Talent Management System*, the *Attendance Management Regulations*, and the *Information Security Management Measures*, to ensure that employees' opinions were fully incorporated into the decision-making process.

In terms of collective negotiation, the Company actively promotes the signing of collective contracts to effectively safeguard the legitimate rights and interests of all employees. In 2025, the Company held a collective negotiation meeting on group algorithms and held a signing ceremony for a special collective contract, while simultaneously building a digital negotiation platform. The contract has been successfully filed and recognized by the superior trade union. It mainly covers aspects such as skill-based salary, work subsidies, career development, education and training, and democratic management, marking the official implementation of the first special collective contract in the express delivery industry that covers the entire network and focuses on algorithm rules.

As of the end of the reporting period

SF had established **150** labor unions in its whole network with **21,600** representatives.

In 2025

There were **162** elected staff representatives, and **17** employee representative meetings were held.

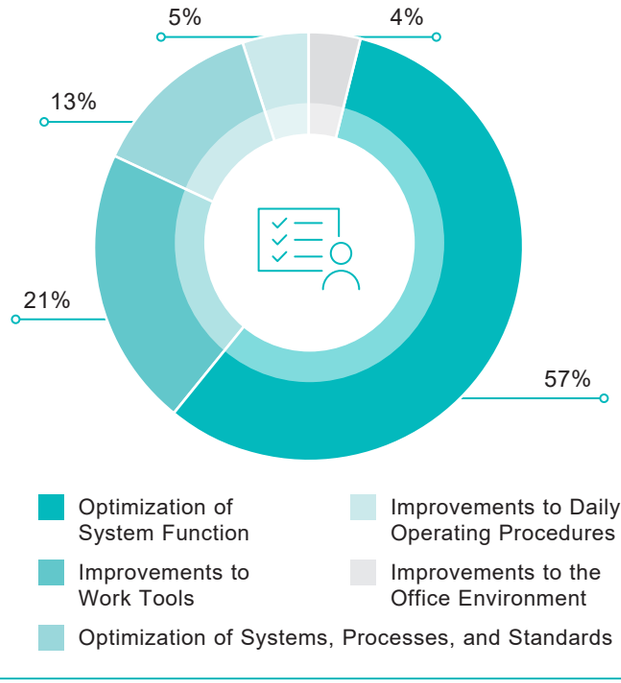
100%
Coverage rate of employees in the SF Collective Agreement

Advice and Suggestions

SF continued to scale up the publicity and promotion of the system that collects advice and suggestions, revises and issues the *Rational Suggestion Management Mechanism*, encourages employees to actively offer suggestions, and gives special awards for the adopted high-quality suggestions, fully stimulating employees' "ownership" awareness and enthusiasm for participation.

In 2025, more than 29,000 employees participated in providing suggestions, collectively submitting over 30,000 proposals. Among these, 8,200 suggestions were adopted, resulting in rewards for 5,000 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 57%.



Employee Satisfaction

SF conducts quarterly satisfaction and engagement surveys among all employees. In June 2025, it was upgraded to Multi-dimensional Diagnosis of Employee Happiness Index, focusing on six dimensions: culture, engagement, management, efficiency, development, and return. Combining process management (achievement of weak indicators), voice management (improvement of processing time and satisfaction rate), and fragmented surveys (improvement of low-scoring organizations), it conducts phased and multi-dimensional inspections of the perceived changes of employees in each organization in terms of purpose, happiness, and stress.

In 2025, the Company conducted a satisfaction survey among all employees covering core issues such as organizational climate, career development, salary and welfare, and work environment. The survey results showed that the employee satisfaction rate was 86.1% and the employee engagement rate was 84.1% in 2025.[20]

Based on the survey results, the Company continuously tracks the quarterly data of employees' happiness index and satisfaction, formulates optimization measures for key issues, such as optimizing the career development path of frontline employees and promoting the inclination of salary resources to the frontline. The relevant improvement measures are actively supervised by employees, and the improvement effects are regularly reviewed to effectively enhance employees' sense of belonging and loyalty.



[20] Starting from June 2025, the employee satisfaction survey system has been upgraded to the "Multi-dimensional Diagnosis of Employee Happiness Index". Compared with previous versions, the new system covers more comprehensive survey dimensions and adopts stricter evaluation criteria, so the data is not directly comparable with that of previous years.

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

On the basis of legally paying social insurance and housing provident funds in full for all employees, SF further constructs a multi-level welfare security system and provides a wide range of non-statutory welfare (including material non-pay benefits). In terms of life security, SF sets up living support facilities such as employee canteens and dormitories to meet basic needs; in terms of work flexibility, SF relies on the working-from-home arrangements and flexible working hours system to improve work experience; in terms of special subsidies, SF implements diversified subsidies such as food subsidies, communication subsidies, transportation subsidies, and cold-proof and heat-proof subsidies according to the characteristics of different positions. Through all-round and multi-level welfare care, the Company continuously optimizes employees' living and working experiences, enabling every employee to feel the warmth and care of the organization.

Employee Welfare and Care System

SF provides employees with a variety of welfare care measures from the three aspects of "ensuring basic welfare, improving caring temperature, and helping long-term development".

Ensuring Basic Benefits

- **Statutory benefit**: Providing insurance and housing fund, paid maternity leave, prenatal check-up leaves, abortion leave, breastfeeding leave, paternity leave, parental leave and other statutory benefits
- **Welfare leaves**: Only-child care leave, special care leave, home-visiting leave, outstanding performance leave
- **Subsidies**: Providing food subsidies, communication subsidies, transportation subsidies, winter and summer subsidies
- **Living welfare**: Providing staff dormitory, staff canteen, remote work, and other living welfare security
- **Physical and mental health**: Providing healthcare services such as free physical examination, online consultation, video consultation, convenient medicine purchase, psychological consultation, etc.

Strengthening Caring Support

- **Festival care**: Providing various holiday benefits/ activities for employees and their families
- **Deploying care**: Offering free shipping/family-visit holiday/family-visit transportation allowance, etc.
- **Performance care**: Providing incentive leaves, activity funds and study subsidies
- **Pension for difficulties**: Providing special greetings and assistance for abnormal weather/ natural disasters/ major diseases, etc
- **Care for family**: Providing scholarships, grants, and other benefits to employees' children
- **Recreational and sports activities**: Organizing team building, encouraging participation in cultural and sports activities and holding art activities

Promoting Long-term Development

- **Education and skill upgrading**: Providing subsidies for education and skills upgrading
- **Diversified development within the Company**: Smooth development pathways for transfer and transformation
- **Honor and commendation**: Carrying out daily and annual merit recognition
- **Training**: Providing multiple learning resources and channels

In terms of holiday welfare guarantee, the Company takes multiple measures to ensure employees are taking their paid annual leave entitlements. One month before the expiration of employees' annual leave, the Company pushes one-to-one leave reminders through internal communication software. At the same time, the Company regularly reminds the human resources of each organization to review the implementation of internal annual leave, and employees who have not taken their leave can apply for an extension according to the process.

In accordance with national and regional laws and regulations, the Company provides comprehensive paid maternity-related leave for eligible employees, including maternity leave, prenatal check-up leave, paternity leave, miscarriage leave, breastfeeding leave, and parental leave, to comprehensively protect the legitimate rights and interests of employees during the child-bearing and child-rearing stages. Taking the regulations in most regions of China as an example:

Female employees

They are entitled to 1-2 days of prenatal check-up leave per month (1 day per month from 9-32 weeks, 2 days per month after 32 weeks), 98 days of basic maternity leave and local incentive leave, 1 hour of breastfeeding leave per day before the child reaches 1 year old, and 10 days of paid parental leave per year before the child reaches 3 years old.

Male employees

They are entitled to 15 days of paid paternity leave and 10 days of paid parental leave per year before the child reaches 3 years old.

In addition, the Company provides nursing leave for parents of only children/non-only children according to local regulations, and launches special paid holidays such as the Spring Festival special annual leave and home-visit leave in combination with the corporate culture to help employees balance work and life and promote family harmony.

Data on workforce' family care leave in 2025

Leave type	Number of person eligible to take leave	Total number of leave days	Total number of leave weeks
Parental leave (primary caregiver)	5,968	382,970	76,595
Parental leave (non-primary caregiver)	14,285	182,724	36,545
Other than parental leave (Paid family or care leave)	3,184	13,013	2,603

Caring for the Physical and Mental Health of Employees

Adhering to the concept of “love-oriented”, SF always puts the physical and mental health of employees first, builds a comprehensive protection system covering both the body and mind, and continuously strengthens the health defense line of employees.

In terms of mental health, the Company attaches great importance to employees’ mental state, builds a psychological counseling service platform, and regularly conducts mental health lectures and special counseling activities to help employees establish a scientific concept of mental health, master emotion management methods, effectively cope with work and life stress, and improve mental toughness and well-being.

Care about Mental Health

Platform promotion	In cooperation with Tencent Music, it created an exclusive music healing platform and customized a “stress-relief song list” for couriers, with a view count of over **58,000** The “Shun Xin Ru Yi” self-psychological relaxation experience platform has been viewed more than **560,000** times	Psychological activities	By the end of 2025, **800** Shunxin service centers have been set at outlets across the network **516** psychological activities were conducted, covering more than **15,000** people
Psychological care	One-to-one psychological counseling service from the online and offline has served for more than **258** people Setting up a 24-hour hotline with **177** hotline consultation services	Workplace remodeling	By the end of 2025, a total of **2,590** small and beautiful staff homes will be built, equipped with s tress-relief props and posters.
Psychological lectures	Six mental health care lectures have been organized, covering **350** people	Empowerment by experts	A total of 41 trade union staff across the network have been organized to participate in the special empowerment training of *Improvement of Psychological Skills and Practical Group Psychological Counseling*. The passing rate of the trainees in the assessment reached **100**%, laying a professional talent foundation for the systematic development of employees’ mental health counseling

Mental Health Care is in Action, Creating an Innovative and Heart-Warming New Model

In 2025, SF innovatively constructed a “4 + N” mental health care system, and jointly built an exclusive music healing platform with Tencent Music. A “stress-relief song list” of 2,000 songs was customized for couriers. According to the characteristics of work scenarios, four time periods of morning, noon, evening return, and night were divided to provide immersive music healing services to help young employees relieve work pressure and improve their emotional management ability. At the event site, SF also released the promotional video of the third Mental Health Care Month, vividly showing the positive spirit of young people in the industry.



SF Employees’ Music Healing Platform

In terms of physical health, SF provides annual health check-up benefits for all employees. Differentiated check-up packages are divided according to employees’ age and job characteristics to identify health risks and get timely medical reminders, effectively protecting employees’ physical well-being.

Health management

Employee health examinations have been organized, benefiting **373,000** people, including routine physical examinations, cervical cancer and breast cancer screenings for female employees, recuperation, and free medical consultations in traditional Chinese medicine, dentistry, ophthalmology, etc.

The *Employee Health Management Guide* has been released and operated to improve the health prevention awareness of management personnel and pay timely attention to and treat employees with physical discomfort.

Safety education

Regular safety publicity has been carried out around four dimensions of holiday safety, peak-period safety, seasonal safety, and unexpected accidents. A total of **51** information posts have been released, with a cumulative reading volume of **290,000**.

The “Safety Production Month” activity has been carried out. A total of **9,312** safety publicity posts have been released, **15,588** training sessions have been organized, **1,900** excellent courses and **160** high-quality courses have been developed.

The “Ankang Cup” safety knowledge competition has been held, attracting over **110,000** people to actively participate. Through safety education and publicity activities, employees’ safety awareness has been continuously strengthened, risk prevention skills have been improved, and on-site safety hazards have been effectively reduced.

SF always puts the health and safety of frontline employees first. Around the three dimensions of health protection, safety guarantee, and incentive improvement, multiple measures have been taken to strengthen the protection line for the rights and interests of couriers.

Health Protection	• Continuously promote the sinking of medical resources. Throughout the year, 71 mobile physical examination vehicle services were organized and carried out, covering 20,000 couriers, bringing convenient medical examinations to the front line.
	• First-aid kits containing 52 kinds of emergency medicines and equipment were configured in over 18,000 outlets across the network to ensure that employees can quickly access necessary medical assistance in case of emergencies.
	• A special action called “Mobile First Responder” was launched, organizing employees to participate in first-aid and AED use training. More than 1,900 people have successfully obtained first-aid certificates. AED devices were also placed in key locations to strengthen the frontline first-aid network.
Coping with Extreme Weather	• Regular care actions were carried out for high-temperature and cold-weather conditions. During the summer, the “Cooling in Summer” activity covered over 13,700 outlets, benefiting more than 560,000 couriers. In winter, cold-proof supplies such as scarves, hats, gloves, and knee pads were provided for the whole network, covering over 27,000 facilities and benefiting more than 94,000 employees, effectively improving the outdoor working environment.
Insurance Protection	• Commercial insurance (employer liability insurance and 24-hour accident insurance) was purchased for all couriers, and the insurance amount was continuously upgraded. The annual cost was about RMB79 million, an increase of more than RMB20 million compared with 2024.
	• Critical illness insurance was awarded to outstanding couriers. A total of 35,000 people benefited, and the cost was about RMB5.29 million, building a multi-level health risk protection system.
Safe Driving Incentives	• The *Notice on the Incentive Plan for Safety and Image Management of Two-and Tricycles* was released. Financial incentives were used to guide couriers to drive in a standardized manner, effectively reducing traffic safety risks. In 2025, the accident rate per 100 two-and three-wheeled vehicles of couriers improved by more than 30% year-on-year.
	• Third-party liability insurance or compulsory traffic insurance was purchased for all couriers engaged in pick-up and delivery operations and driving Two-and Tricycles to protect frontline operations.



AED Volunteer First Aid Training

Work-Life Balance

SF has always paid attention to the work and life status of employees and their families. Through diversified family care measures and rich cultural and sports activities, it helps employees solve practical life difficulties and promotes a harmonious balance between work and life.

Family Supporting Programs

SF extended its care to employees’ families, continuously carried out family care activities for employees, provided exclusive welfare support, enhanced the happiness of employees’ families, and further united the team.

Advancement Benefits

High-school entrance examination scholarships of RMB537,000 were distributed to 267 children of employees admitted to universities. Additional college entrance examination benefits such as college entrance gift packages and luggage delivery benefits were also provided to effectively support the growth of the “Feng Generation 2”.



“SF Employees’ Children are Awarded for Their College Entrance Exam Achievements

Offering Student Subsidies/ Scholarship

The Company offered student subsidies of RMB1.16 million to the families of employees with serious diseases and major difficulties.

Condolences and Assistance

More than 20,408 employees and their families in difficulty were visited, and the relief amount was about RMB12.25 million.

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

Enriching Employee Leisure

SF regularly organizes healthy and diverse cultural and sports activities for employees to help them relax after work, stimulate vitality and cohesion. The Company operates interest clubs daily, such as the “Fengba Club” and interest groups spontaneously organized in various regions. There are more than 10,000 regular members in interest groups across the network. At the same time, various regions regularly carry out characteristic cultural and sports activities in combination with festivals. The group organizes large-scale sports events for all employees every year, forming a corporate cultural brand with large-scale, wide-influence and cross-organizational integration, comprehensively enhancing employees’ cohesion and corporate cultural identity.

In 2025, the Company organized sports events such as basketball, football, and tennis, and carried out interest activities such as writing Spring Festival couplets, flower arrangement, and making round fans, creating a positive and warm working atmosphere. In terms of large-scale cultural and sports activities, the “Fight Together, Win Together” national basketball league attracted more than 4,000 players, and more than 70,000 people watched the finals online; the “Fengyu Flying” badminton exchange tournament in the Greater Bay Area adopted the “team competition + fun competition” mode, integrating cross-organizational cooperation and participation of senior executives, effectively enhancing employees’ sense of participation and team cohesion.

In addition, the Company focuses on creating a strong festival atmosphere. During the Dragon Boat Festival, the Company organized more than 270 themed activities across the network. Through forms such as dragon boat racing, zongzi wrapping, handicraft DIY, and Hanfu flash delivery, it accompanied 25,000 employees and their families to spend the festival warmly. To deepen humanistic care, the Company held more than 700 collective birthday parties of “Celebrating Birthdays with SF” across the network; launched more than 70 public welfare activities of “Books for Vegetables, Passing on the Love”, accumulating more than 5,000 exchanged books, all of which were used for the construction of employee clubs at various outlets, effectively enriching the spiritual and cultural life of employees.



Basketball Activities



Football Activities



Tennis Activities



Birthday Party



Writing Spring Festival Couplets



Flower Arrangement



Making Round Fans



“Books for Vegetables, Passing on the Love” Public Welfare Activity

Guarding the Safety Line

SF always takes safety production as the core cornerstone of the enterprise's sustainable development, continuously improves the safety risk prevention and control system, and integrates the concept of safety production into the entire operation process. It is committed to creating a safe and healthy working environment for all employees, and escorts the high-quality and stable development of the enterprise with solid safety guarantees.

Safety Management System

The Company strictly abides by the laws, regulations, and standards in the field of national safety production. Combining the standard of occupational health and safety management system (ISO 45001), the *Requirements of work safety management system for large and medium-sized enterprises (GB/T33000)*, the *Guidelines for the Construction of the Work Safety Management System of Postal Enterprises and Express Delivery Enterprises*, and the NOSA five-star system standard (health, safety and environment), SF constructs a panoramic view of safety production covering 11 units and a total of 66 safety production elements, forming a systematic safety production compliance library to ensure the safety and controllability of the entire operation chain.



Panoramic View of Safety Production

Policy and Commitment

Safety Management Principles

Safety first, focus on prevention, legal compliance, full performance of duties, continuous improvement and sound development

Safety Management Commitment

1. Comply with national laws, regulations, standards, and management requirements;
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;
3. Adhere to the principle of people first and focus on prevention and achieve the target of "zero accidents";
4. Provide necessary support, including manpower, resources and funds;
5. Establish communication channels on safety management for all employees and stakeholders;
6. Control production safety risks effectively and take actions to minimize the risks;
7. Optimize the allocation of safety management resources and continuously improve the safety management;

All employees, contractors, and other relevant parties of SF are responsible for maintaining the Company's commitment to production safety management.



Occupational Health and Safety Policy

SF formulates and implements an occupational health and safety policy across the Company to clarify the Company's long-term direction in the field of health and safety. The commitments contained in this policy have been fully integrated into the Company's various management processes to ensure the soundness, credibility, and reliability of the occupational health and safety management system.

Policy Statement

Our company is committed to giving priority to occupational health and safety in all business activities, ensuring the health and safety of all personnel within the value chain, including all the Company's own employees and relevant parties such as contractors and suppliers within the management scope. We are committed to building a safe, healthy, and injury-free working environment, continuously improving the level of occupational health and safety management, and ensuring compliance with national laws, regulations, and relevant industry standards.

Policy Objectives

1. Prevent work safety accidents, personal injuries, and occupational diseases, and continuously reduce safety and health risks.
2. Establish, implement, and continuously improve the occupational health and safety management system, and continuously improve the level of safety management.
3. Ensure that the workplace, facilities, equipment, technological processes, and work behaviors comply with occupational health and safety laws, regulations, and relevant requirements.
4. Regularly conduct risk identification, assessment, and hidden danger investigation and management, clarify the key points of control, set up prioritization, action plans and rectification measures to ensure that risks are controlled and rectification is in place.
5. Improve the safety awareness and skills of all employees, encourage all employees to participate in safety management; establish and operate an internal reporting, consultation and reward mechanism for accident hidden dangers to encourage workers to actively investigate and promptly eliminate safety hidden dangers in all links.
6. Improve the emergency response and support mechanism to ensure that employees receive timely and effective protection and rescue in case of emergencies.

Policy Communication and Implementation

This policy is communicated to all organizations, employees, contractors, and relevant parties within the Company and is linked to performance evaluations. The Company conducts monthly reviews of policy implementation, promptly corrects any issues identified, and ensures the healthy and stable development of the enterprise.

This policy is approved by the Company's Safety Production Committee and will be regularly revised in accordance with changes in laws and regulations and the Company's development.

Safety Management Framework and Responsibilities

To fully implement the Company's safety management policies and standards and effectively strengthen the supervision and control of safety work in various regions, SF has established a three-tier safety management system consisting of the group headquarters, regions, and grass-roots levels. It has also systematically formulated and continuously improved relevant safety management systems to comprehensively support the Company's safe production and operation.

The Risk Management Committee of the Board is responsible for overall planning and decision-making on the strategic planning of work safety, approving and promoting the formulation, implementation, and change of relevant policies.

The Safety Production Committee is established under the Risk Management Committee of the Board. The Chairman and Chief Executive Officer (CEO) serves as the director of the Safety Production Committee and is the primary person responsible for the Company's safety production, taking full responsibility for the overall safety production. The Safety Production Committee is responsible for guiding the Company's safety risk management work, establishing and strengthening the safety production risk control mechanism, regularly evaluating the completeness and effectiveness of the safety risk management system, providing professional opinions and suggestions, and reporting the progress and results of safety risk management work to the Board of Directors quarterly to ensure the implementation of the safety production strategic goals and performance. In addition, the Company coordinates and promotes major safety protection tasks and regular safety management work through monthly special meetings for the Chief Operating Officer and special meetings on safety risk control projects, including safety risk management, governance plans and rectification measures for major accident potential, safety protection for key government meetings and social events, etc.

The Safety Production Execution Working Group is a cross-functional virtual organization under the leadership of the Safety Production Committee, aiming to align safety concepts among various functional organizations, coordinate safety stances, and rapidly advance major safety initiatives. The working group is responsible for organizing major work safety inspections and special inspections, guiding and coordinating internal law-enforcement work on safety production, discussing and analyzing suggestions for major safety production measures, and ensuring the effective implementation of safety management requirements at all levels.

SF Safety Management Structure

- Risk Management Committee of the Board
- Safety Production Committee
- The Safety Production Execution Working Group

Safety Production Management System

The Company regularly reviews and updates safety management system documents annually to provide scientific, appropriate, and efficient safety production management guidelines for all organizations. In 2025, in line with the latest risk control requirements and management practice experience, the Company added and revised 14 safety management policies, including the *Regulations on the Whole-Life-Cycle Management of Transit Depots*, the *Regulations on the Supervision of Safety Production Liability Accidents and Major Accident Potential*, and the *Regulations on Rewards for Internal Reporting of Accident Potential*, continuously consolidating the foundation of operating specifications and comprehensively improving the safety management level.

To fully implement the main responsibility for safety production, prevent and reduce safety production accidents, and protect the lives and property of employees, the Company continuously promotes the full-staff safety production responsibility system, organizes all employees to sign the *Safety Production Responsibility Letter*, and clarifies the safety management responsibilities at all levels: The Chairman and Chief Executive Officer (CEO), as the primary person responsible for safety production, is responsible for formulating safety production goals and promising to provide working conditions that ensure the safety and health of all employees; managers at all levels are directly responsible for safety production within their respective scopes of management, ensuring the effective implementation of safety measures and fulfilling their safety management responsibilities.

Safety Management Objectives

The Company formulates clear and quantifiable annual safety objectives and regularly reviews and assesses safety management work and its effectiveness. The Company takes reducing the casualty rate per million parcels as the core objective, covering all employees and contractors. The compensation incentives for senior management and all safety management personnel are directly linked to improvements in health and safety performance.

In 2025, the casualty rate per million parcels of the Company decreased by 10% compared with 2024, successfully achieving the annual safety management objective. The Company will continue to optimize the safety management assessment mechanism, clarify the safety objectives for 2026 and break them down to all levels in detail, focus on key risk areas such as work safety liability accidents at sites, spontaneous combustion accidents, and traffic accidents, strengthen process control and responsibility implementation, strive to achieve remarkable results in core safety indicators, and drive the steady improvement of safety performance.

Safety Management Targets in 2025	Achievement in 2025	Progress of Targets Achievement
The casualty rate per million parcels[21] decreased by 5% year-on-year	Decreased by 10%	Achieved

[21] The data on the casualty rate per million parcels covers all SF workforce and contractors.

Safety Management System Certification

The Company continuously benchmarks against international advanced standards and systematically promotes the certification of the safety management system to ensure that the entire network uniformly implements high-standard occupational health and safety requirements. At present, the Company has obtained the ISO 45001 Occupational Health and Safety Management System certification required for business operations, covering all employees and contractors.

> The coverage rate of the ISO 45001 Occupational Health and Safety Management System certification across the Company's business operations reached **100**%.

In 2025, the Company successfully passed the TAPA Trucking Security Requirements (TAPA-TSR) certification, which marks that the Company's safety management system complies with internationally recognized standards and reaches the "gold standard" for the security of the global high-value goods supply chain. Obtaining this certification not only further reduces the safety risks during the cargo transportation process but also enhances the Company's ability to provide security for global customers. By building a dual-certification system of "ISO 45001 + TSR", the Company continuously consolidates the foundation of safety management, empowers operational practices with international standards, and provides strong support for the stable development of the business.



Safety Risk Management Mechanism

The Company continuously deepens the construction of the "dual-prevention mechanism" of risk classification control and hazard identification and remediation, constructs a scientific, systematic, and closed-loop safety risk prevention and control and hazard remediation process, builds two lines of defense against production safety accidents, continuously improves the safety management ability, and comprehensively protects the safety of the Company's production and operation.

Safety Risk Management Framework

SF Safety Risk Identification, Evaluation and Control Framework

1. **Build an organizational structure**
   - Set up a safety management working group
2. **Define evaluation units**
   - Define evaluation units based on field scenarios associated with departments, positions, operational activities and operational procedures
3. **Identify sources of safety risks**
   - Identify hazardous sources from the four elements of "people, materials, management and environment"
4. **Assess the risk level of safety**
   - Evaluate the risk level of safety using the Level of Risk Evaluation of Operational Conditions (LEC method)
5. **Safety risk classification and control**
   - Identify the management layer based on the level of safety risk
6. **Develop risk control measures**
   - Control measures include but are not limited to engineering and technical measures, management measures, education and training measures, personnel protection measures, and emergency measures

Safety Risk Classification Control

SF uses the LEC risk assessment method to assess OHS risks and hazards, 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 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 2025, the Company, based on a systematic safety risk assessment of 40 regions across the country and the work processes of all positions, implemented dynamic updates and classification control of the 835 identified safety risk sources. By establishing a risk list management mechanism, formulating precise control measures, and simultaneously carrying out special ability training for safety management personnel, the Company effectively achieved full-process closed-loop management of safety risks from identification, assessment to disposal and review.

At the same time, the Company established an open and transparent safety communication mechanism, relying on diversified feedback channels to encourage employees to actively participate, offer suggestions, timely discover and prevent potential safety risks, create a safety culture atmosphere of joint governance and sharing by all employees, and jointly strengthen the enterprise's safety defense line.

Channels for employees to escalate safety incidents

- Fengsheng APP working group
- Safety information system
- Fengsheng APP's "Golden ideas" and "Sound transmission" functions
- Trade union hotline, trade union service number

Safety Hazards Investigation and Rectification

In 2025, the Company strictly implemented the requirement of "dynamically eliminating major accident hazards". Based on the *Standards for Judging Major Safety Production Hidden Dangers of Postal Enterprises and Express Delivery Enterprises*, it comprehensively promoted the rectification of the four prominent problems of sub-standard equipment and facilities, inadequate on-site management, non-standard employee dressing, and non-compliant operation, and continuously improved the standardization and normalization level of safety production in the operation sites.

Improve the Regular Internal inspections and Self-correction Mechanism

The Company revised and improved the Regulations on the Identification and Remediation of Safety Hazards in accordance with the *Standards for Judging Major Safety Production Hidden Dangers of Postal Enterprises and Express Delivery Enterprises* and the *Twenty Detailed Rules for Standardizing the Safety Management of Business Sites and Processing Sites of Postal Enterprises and Express Delivery Enterprises*. Each region, in combination with its actual situation, refined and formulated regional investigation and governance measures, included all hazard items in the judging criteria in the scope of inspection, and implemented the two-level hazard classification control of "major and general". At the same time, the Company strictly implemented the system of "inspection led by the principal responsible person", requiring the principal responsible persons at all levels to lead at least one special investigation of major accident hazards every quarter to ensure full-coverage and no-blind-spot risk investigation. In 2025, the Company organized a total of 11 special inspections at the headquarters level, covering all business areas such as fire protection, electricity use, equipment operation, operation, vehicle management, and express delivery safety, and simultaneously established a dynamically updated hazard ledger to achieve closed-loop management of hazards.

Improve the Closed-loop Mechanism for Supervision and Follow-up

In accordance with the requirements of the *Guidelines for the Construction of the Safety Production Management System of Postal Enterprises and Express Delivery Enterprise*, the Company improved the management model of "hazard discovery-rectification implementation-verification closed-loop-list cancellation". All safety inspections formed a list of hazard cancellation items, clearly defined the contents of "five implementations" including responsibility, time limit, funds, measures, and plans, and were supervised by the principal responsible persons at all levels. Members of the safety production execution working groups at all levels verified the rectification situation item by item to ensure the effectiveness of problem rectification. By the end of 2025, a total of 6,842 various safety hazards were found in the special inspections at the headquarters level, including 66 major accident hazards, all of which had been rectified.

Build a Digital Safety Control System

The Company continuously iterates its safety operation system to realize functions such as task assignment for potential accident hazards, hazard reporting, statistical analysis, and dynamic updates. In 2025, a total of more than 170,000 various types of hazards were reported through the system across the network. Relying on the digital system, the Company conducts accurate statistics and trend analysis on 13 key types of hazards, including fire safety, electrical safety, and vehicle safety, providing data support for the verification and optimization of risk control measures. To address the pain points of the traditional management model, such as relying on the experience of inspectors, difficulty in detecting hazards in a timely manner, or mastering the rectification standards, the Company has launched an intelligent hazard identification function to assist frontline personnel in hazard identification and judgment.

Deepen Precise Governance in Key Areas

The Company focuses on high-risk areas within the site (charging areas, platform areas, and pedestrian-vehicle separation channels) and high-risk operation links (cage cart operation, tail-lift truck operation, forklift operation, flatbed truck loading and unloading, etc.). Centering on core risks such as fire, mechanical injury, vehicle injury, and falls from heights, it conducts special rectification in conjunction with relevant functional departments. At the same time, an AI large model is integrated into the Shentong system of the operating sites to intelligently capture 28 types of violations, such as personnel illegally crossing, stepping on, or crawling under the belt conveyor, illegally going down the platform, not wearing safety helmets and seat belts during the loading and unloading process, and the mixing of pedestrians and vehicles.. The violation information is pushed to managers in real-time to intervene in violations promptly, promoting the transformation of accident control from “passive response” to “advanced prevention”.

100%
Proportion of regions that have undergone the Company’s safety production system evaluation

100%
Percentage of distribution centers[22] that have been evaluated by the Company in terms of safety production systems

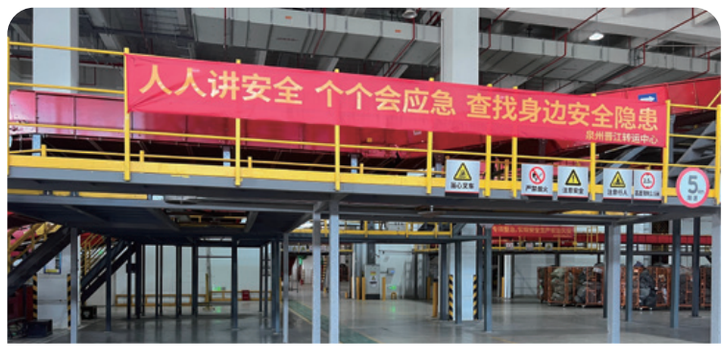
[22] The distribution center is a specific area used for receiving, storing, loading and dispatching goods in the logistics transportation process.

In 2025, the Company focused on risks in express delivery safety, fire safety, and safety during key periods, and organized about 22 special rectification actions across the network, covering all organizations and regions of the group, and systematically promoting hazard investigation and precise governance.

In terms of **express delivery safety**, the Company successively carried out special rectification actions such as real-name delivery, inspection of fireworks and firecrackers, illegal collection and delivery of wild birds, and drug-control safety inspection of international mail and express items. It strictly implemented the “three systems” of collection and inspection, real-name delivery, and machine-based security inspection to prevent prohibited items from entering the express delivery channel. At the same time, it conducted special investigations on sensitive chemicals, strengthened source control and process standardization, and effectively built a solid line of defense for express delivery safety.

In terms of **fire safety**, the Company organized a major fire hazard investigation and rectification action. Focusing on key areas such as charging areas, warehouses, and office places, it conducted in-depth investigations on key links such as fire-fighting facilities, electrical circuits, and flammable material management to eliminate fire hazards in a timely manner. In combination with key periods such as the end and beginning of the year and business peaks, it also carried out seasonal safety special investigations to ensure the continuous stability of the safety situation during key periods.

In terms of **safety culture construction**, the Company held the 2025 network-wide “Safety Knowledge Competition” and the safety month theme activity of “Everyone Speaks Safety, Everyone Knows Emergency Response-Spot Safety Hazards Around You”, widely mobilizing all employees to participate in hazard finding and knowledge learning, and creating a safety atmosphere of co-governance and sharing. At the same time, in combination with quarterly special work safety inspections (covering fields such as fire protection, electricity use, vehicles, and equipment), it promoted the normalization and refinement of safety management and continuously consolidated the safety foundation for the Company’s development.



Safety month theme activity of “Everyone Speaks Safety, Everyone Knows Emergency Response-Spot Safety Hazards Around You”

Configuration of “Two Poles and One Net” loading tools in the freight site

During the express delivery transportation process, due to non-standard stacking or bumps on the way, the express items in the carriage are prone to shift or even collapse, posing a safety risk of being hit by falling express items when employees unseal the vehicle or open the door. To effectively eliminate this hazard, the Company fully implemented the “two poles and one net” loading protection measures on freight transportation routes in 2025. That is, before loading and sealing the vehicle, two adjustable extendable rods and a high-strength anti-fall net are configured to physically block and integrally fix the express items at the rear of the vehicle, effectively preventing the express items from moving forward during transportation and accidentally falling when the door is opened, significantly reducing the risk of object strikes, and improving the safety level of the loading and unloading process.



Before rectification



After rectification

Occupational Health and Safety Management

Adhering to the principle of “safety first, prevention first”, the Company integrates occupational health and safety management into all operation links of the entire logistics chain, aiming to deeply integrate the safety concept into employees’ daily behaviors and standardized operation processes, and continuously consolidate the safety foundation for high-quality development.

All-around Safety Management

Centering on personnel safety as the fundamental core, relying on reliable transportation equipment as the key guarantee, and starting from compliant site construction as the pre-condition, the Company has established an occupational health and safety management procedure covering the full dimensions of “people-vehicles-sites”, achieving refined control of the entire process of “pre-event prevention-in-process control-post-event closed-loop management”.

In terms of personnel safety management, the Company systematically builds a full-chain safety management system covering key positions such as drivers and airline crews to effectively ensure personnel safety and operational reliability.

Personnel safety risk management measures

Fatigue driving prevention and control

The Company has established an integrated fatigue risk management mechanism of “monitoring-early warning-intervention-empowerment”. Relying on the self-developed safe driving platform and deeply integrating AI vision technology, it comprehensively collects image data of the internal and external environment of the vehicle. When the system detects typical fatigue or distraction behaviors of the driver, such as frequent yawning, rubbing of eyes, and line-of-sight deviation, it can immediately trigger an early warning and remind the driver through the in-vehicle terminal. At the same time, high-risk events are synchronously pushed to regional safety management personnel to achieve second-level response and closed-loop disposal. On this basis, the Company strengthens the application of results. For accidents or high-risk events caused by fatigue driving, it not only raises the standard of economic penalties but also traces the management responsibility to relevant functional personnel to compact the responsibility of process supervision. Meanwhile, through methods such as launching safety reminders during key periods on the App, carrying out “daily safety quizzes” and “must-read before departure” and learning typical fatigue accident cases, it continuously strengthens the driver’s self-recognition and proactive prevention awareness. In addition, in combination with the pilot of intelligent assisted driving vehicles, the Company can further expand the intelligent perception and proactive intervention capabilities through 7x24-hour background safety management, diverse safety management equipment, and safety assistance functions such as adaptive cruise and intelligent avoidance.

Pay attention to mental health

The Company attaches great importance to the physical and mental health of groups such as drivers and airline crew members, integrates humanistic care into the safety management system, and continuously pays attention to their workload and physical and mental states. By strengthening health promotion and psychological support guidance, it enhances employees’ awareness of stress coping and emotion management, reduces potential safety risks caused by poor physical and mental states from the source, and realizes the coordinated development of safe operation and physical and mental health.

Zero tolerance for alcohol

To continuously strengthen flight and transport safety management, the Company implements a strict “zero-tolerance” policy for alcohol. In air transportation, SF Airlines strictly implements the alcohol testing system for crew members. Every month, aviation doctors are arranged to conduct random alcohol tests on the crew members of flights departing from out-stations for 1-2 days to ensure that the crew members fully meet the safety standards when performing flight tasks. In the land transportation link, to continuously improve the safety level of drivers, the transfer center is equipped with alcohol testers at each site to test drivers before departure. Once the driver’s alcohol consumption is detected or there are wine bottles in the cab, the driver will be prohibited from undertaking transportation tasks and included in the blacklist.

In terms of risk prevention and control of transport vehicles, the Company promotes a series of measures in stages and from multiple dimensions around the key links of vehicle safety:

Deepening the active safety management of vehicles in stages

In the first quarter, the axle temperature monitoring equipment is fully promoted to monitor the operating status of key components in real-time; in the second quarter, the “high-temperature intervention” mechanism is implemented to conduct dynamic scheduling and forced cooling for high-risk routes and vehicles; in the third quarter, the control threshold is moved forward. Through the combination of intelligent identification and manual inspection, the early discovery and closed-loop control of faulty vehicles are realized.

Full coverage of front-end fire-fighting stickers

All vehicles are 100% installed with front-end fire-fighting stickers. Tens of thousands of sets are reserved at all sites across the network, and a rapid response mechanism of “replenishment upon damage or loss” is established to ensure continuous and effective protection.

Construction of standardized vehicle inspection areas

More than 30 dedicated vehicle inspection sites are invested in multiple distribution centers and business areas, and more than 60 professional vehicle inspection personnel are equipped. Through pre-technical inspections, the safety of vehicle departure is strictly controlled.

Upgrade of on-vehicle fire-fighting equipment

The original 6-liter water-based fire extinguisher is upgraded to an 18-liter combined device (dry powder is used to extinguish open flames, and water-based is used for cooling and preventing reignition), and 20 liters of fire-fighting water is additionally equipped on the trailer to improve the ability to handle initial fires on the way.

Standardizing the safe use of parking air-conditioners

In view of the risks that high-temperature exposure in summer is likely to cause seal failure and gasoline has a low flash point and is easy to volatilize, the Company clearly prohibits the use of gasoline generators to power parking air-conditioners to eliminate safety hazards from the source.

In respect of sorting center management, the Company embeds a comprehensive occupational health and safety due-diligence mechanism at the early stage of the project, formulates and releases the “Regulations on the Whole-life-cycle Management of Sorting Center Projects”, and constructs an end-to-end management system covering the four major stages of “site planning-site acquisition-site construction-site operation”. It clarifies the division of responsibilities, delivery requirements, and assessment mechanisms of each department. In the planning and acquisition stage, the Company focuses on conducting a systematic assessment of the geological conditions, surrounding environmental sensitive points, fire safety compliance, labor employment specifications, and potential occupational hazard factors of the proposed site area; in the construction and operation stage, it synchronously follows up the construction progress, cost control, project quality, safe and civilized construction practices, and the occupational health and safety acceptance of equipment and facilities to ensure that the new site meets national regulations and the Company’s occupational health and safety standards from the source.

In terms of accident response and closed-loop governance, for work-related health and safety incidents that cause injuries, ill health, diseases and casualties, the Company has established a standardized and hierarchical accident response and investigation mechanism to ensure rapid response, in-depth analysis, and effective closed-loop of events.

Accident response and investigation mechanism

Accident Reporting and Graded Response

After receiving the accident report, relevant local personnel must truthfully enter the accident information into the AESP system within 1 hour and submit the accident investigation report to the local safety production director within 48 hours, while notifying the relevant functional person in-charge. If the accident level reaches level 2 or above (such as causing serious injuries, deaths or major property losses), they must immediately report it by phone to the Headquarters Planning, Scheduling and Safety Center. At the same time, complete the entry in the AESP system within 1 hour and submit a preliminary investigation report to the Headquarters Safety Management Group within 12 hours to ensure timely intervention and resource support for the accident.

Accident Investigation Process

Accident investigation process strictly follow the principle of "protect the scene-fix the evidence-analyze the cause-determine the responsibility-educate and summarize": Protect the accident scene at the first time, sample and seal up physical materials such as relevant equipment, materials and monitoring; Organize a cross-departmental investigation team to deeply analyze the direct cause and management root cause, and clarify the responsibilities of the involved personnel and management links; And carry out accountability, warning education and experience review in accordance with the principle of "Four No-Exceptions ".

Rectification Actions

Rectification actions systematically formulate corrective and preventive measures based on the four dimensions of "people, materials, environment and management". Clearly define the rectification plan, specific measures, required resources, responsible entities and completion time limits, and form a traceable and verifiable rectification plan to ensure that the rectification is carried out on schedule and a rectification report is submitted.

Follow-up and Prevention

To prevent the recurrence of similar accidents, the Company promotes the full implementation of rectification measures across the network and optimizes relevant operating rules or management systems. At the same time, include typical accident cases in safety training materials. Through case notifications, warning education and other means, strengthen the risk awareness and emergency response ability of all employees, and truly achieve the closed-loop management goal of "promoting rectification through cases and promoting safety through rectification".

Contractor Safety Management

The Company places equal importance on the safety and health of contractors and permanent employees. By providing necessary resource support and safeguard measures, it ensures that all contractors participating in the SF operation have a safe and healthy working environment. The Company incorporates all contractors and permanent employees into the same health and safety management standards and performance indicator system as internal ones, implementing unified standards, unified requirements, and unified assessments. This year, the Company completed the revision of the *Carrier Safety Management System*, further clarifying the safety behavior specifications and accident handling procedures of transportation contractors within the operating sites.

The Company establishes a safety management mechanism that covers the entire life cycle of contractors, from "access-inspection and evaluation-accident handling and assessment-exit", deeply embedding safety requirements into each management link to ensure the safety and controllability of the supply chain. At the same time, it regularly supervises and evaluates the safety management performance of contractors, issues safety management reports, and systematically feeds back their effectiveness in system implementation, hidden danger rectification, accident prevention and control, and training implementation, etc., to ensure that all employees, including contractors, are included in the Company's health and safety performance indicator system and promote the steady improvement of the supply chain safety management level.

- **Contractor access**: The Company establishes a strict contractor qualification review system, setting access thresholds from dimensions such as enterprise compliance qualifications, safety records, vehicle and personnel qualifications, and implementing a safety rating mechanism. Only transportation contractors that pass the comprehensive safety assessment and meet the access standards can be included in the cooperation list. In addition, the Company incorporates safety management requirements into the contract terms and signs a safety management agreement with the contractor to clarify safety responsibilities and standards. In 2025, the signing rate of the contractor safety management agreement reached 100%, eliminating potential safety hazards at the source.
- **Inspection and evaluation**: The Company conducts at least one safety assessment on contractors every year. For suppliers that fail to meet the standards, it may order them to make corrections within a specified time limit or directly terminate the cooperation as appropriate, ensuring the implementation of high-standard safety management. For transportation contractors, the Company requires them to strictly implement transportation safety operation specifications, and conducts regular supervision on the driver's operation process, vehicle safety status, and the compliance of transportation routes. At the same time, it establishes a real-time reporting mechanism for abnormal events to ensure that safety risks are traceable and controllable.
- **Accident handling and assessment**: The Company formulates graded handling rules for major abnormal accidents, clarifies the assessment standards and liability for breach of contract corresponding to the number of accidents on an annual statistical basis, and forms a closed-loop management of "accident – handling-assessment".
- **Exit mechanism**: The Company links the safety assessment results with the contractor's cooperation qualification. For contractors that seriously violate safety regulations, it imposes penalties such as rectification, fines, and finally terminating the cooperation, ensuring the continuous improvement of the overall safety level of the contractor team.

Preliminary selection requirements for contractor safety management qualification

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

Transportation contractor safety management mechanism

- **Clarify the main safety responsibility**: The contract clearly defines the main responsibility of the transportation contractor for personnel safety, cargo safety, and vehicle operation safety throughout the transportation process, and clarifies the accident liability determination standards and handling obligations;
- **Quantify the liability for breach of contract for major accidents**: Set up a stepped penalty for breach of contract for major abnormal accidents. In serious cases, cancel the annual cooperation qualification of the transportation contractor for all involved routes;
- **Link safety performance with assessment standards**: Incorporate key indicators such as the number of safety accidents and the timeliness of abnormal reporting into the annual safety assessment system of transportation contractors. The assessment results are directly related to cooperation renewal, business volume allocation, and other cooperation rights and interests.

The Company is committed to building a long-term win-win partnership with contractors. It not only strengthens management requirements but also focuses on enabling support, and systematically improves their safety operation and management capabilities through a number of measures.

Enabling measures

Establish a resource-sharing and communication platform

Create dedicated resource groups for transportation contractors and streamline complex procedures for core scenarios (e.g., safety control and on-site inspections) into visual "one-page SOPs" and checklists, ensuring execution standards are clear and actionable.

Empower data-driven management capabilities

Open a digital management dashboard to transportation contractors to support them in mastering key operating data such as the in-transit status of vehicles, safety scores, and fuel consumption in real-time, and promote the transformation of the management mode from experience-driven to data-driven.

Build a 7x24-hour proactive safety defense line

Form a full-time in-transit customer service team to issue real-time warnings for high-risk driving behaviors (such as fatigue driving) detected by the intelligent driving system, and immediately link up with the designated person in charge of the contractor to intervene, forming an efficient response mechanism of "platform discovery-collaborative intervention".

Establish a multi-dimensional empowerment communication mechanism

Organize monthly and quarterly empowerment communication meetings for the heads, dispatchers, and safety management personnel of transportation contractors. Review typical accident cases, interpret high-frequency violation scenarios, and share excellent management experiences to continuously improve their autonomous safety management capabilities.

Conduct specialized skills and policy training

Organize online and offline specialized training sessions around the application of new technologies such as the use of intelligent driving equipment, as well as changes in new policies such as transportation regulations and environmental protection requirements, to help transportation contractor teams keep up with industry trends and reserve the safety knowledge and skills required for future development.

Occupational Health and Safety Training

The Company has built a systematic, hierarchical, and classified occupational health and safety training system, providing customized training content according to the actual needs of different positions and job levels. By establishing a "safety knowledge map" and a "safety management matrix," the Company has achieved full coverage of training in six core areas, including legal compliance, work safety management, traffic safety, emergency management, express delivery safety, and occupational health. In addition to covering basic safety knowledge, the course content delves into relevant laws, regulations, and policies, and strengthens employees' risk identification and response capabilities in combination with specific business scenarios to ensure that all employees have the safety awareness and practical skills commensurate with their job responsibilities.

SF Safety Training System

Senior Management
Hold "professional lectures" to facilitate the exchange of excellent management experience, thus empowering senior management by equipping them with safety management skills.

Safety management professionals
Provide various forms of training for safety management professionals within the network, including internal sharing sessions, external tutoring sessions and special safety training.

All workforce
Develop their own safety training agenda by each region across the network, and provide standard safety training for all employees (including contractors) in the region.

To continuously improve the safety awareness of all employees, the Company conducts diverse safety education activities through a combination of online and offline methods:

- Offline Training: Regularly organize special training activities, including the safety production month, safety knowledge competitions, safety hazard investigation, support for the peak business season during the Spring Festival, and improvement of site standardization, to strengthen employees' practical safety skills and emergency response capabilities.

- Online Promotion: Through platforms such as the safety information account and the Fengsheng APP, accurately push targeted safety tips and guidance to employees during key periods such as holidays, peak business seasons, and seasonal changes to ensure that safety awareness is deeply rooted in the hearts of employees and integrated into their daily work.

100%
Safety training coverage in 2025 (including employees and contractors)



On-site Safety Training

2025 SF Safety Training Performance Data

The Company's safety training has cumulatively involved more than **1** million participants, covering **all employees**, with a total training duration of over **11** million hours.

For safety management professionals, a total of **36** safety training sessions were conducted, covering more than **20,000** people, including:

33 Internal Safety Sharing **3** External Expert Empowerment

The Company provides internal training resources to support safety management personnel in acquiring professional certifications. As of the end of the reporting period, **806** employees held safety certifications.

In terms of transportation safety training, the Company has built a diversified and three-dimensional safety empowerment system for all employees and suppliers to continuously improve the risk prevention ability in the transportation process. The main measures include:

- Promote the "Three-layer Space Driving Method": Systematically optimize drivers' behavior habits, and cultivate **10** professional coaches through external certification to conduct practical training and on-site guidance in different regions, promoting the standardization and normalization of driving skills;
- Build an online publicity platform: Establish WeChat and Douyin video accounts named "Land Transportation Safety Talk," and have released a total of **26** safety short videos to expand the learning channels for frontline employees with lightweight and scenario-based content;
- Regularly conduct on-site public courses: Offer specialized training courses every month to continuously strengthen drivers' safety awareness and operating norms;
- Diversify online fragmented learning formats: Through modules such as "Daily Readings," "Case Warnings," and "Targeted Training Exams," accurately push safety knowledge and immediately reinforce learning to promote the in-depth understanding and practical implementation of safety culture among employees.

In terms of aviation safety training, based on flight quality data monitoring, the Company conducts in-depth analyses of typical violation incidents and the top three individuals with the highest monthly incident rates to precisely identify potential risk points in operations. Based on the data analysis results, the Company regularly conducts specialized training such as technical reviews and simulator intensive training to continuously improve the technical skills and emergency response capabilities of flight crew members, ensuring that all crew members meet and maintain the highest industry safety standards and continuously consolidating the foundation for safe aviation operations.

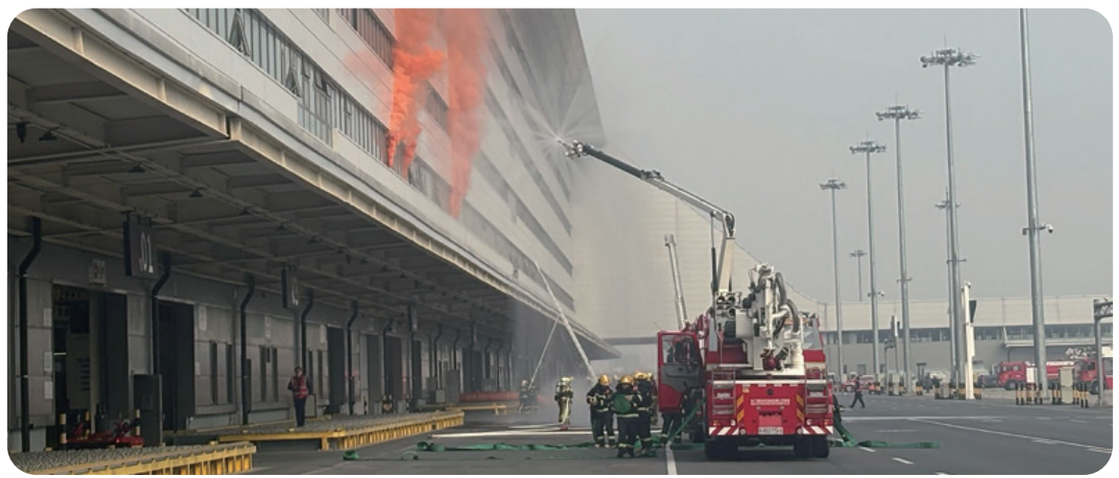
Safety Emergency Drills

The company strictly adheres to the *Emergency Response Law of the People's Republic of China* and the *Work Safety Law of the People's Republic of China*. It has established a systematic and standardized emergency response work procedure and contingency plan system for emergencies, providing clear and operational action guidelines for internal operations and continuously enhancing employees' ability to respond quickly and handle emergencies effectively.

To continuously test and optimize the emergency response plans, the Company organizes two large -scale fire emergency drills every year in accordance with national regulations. Through actual combat simulations, the emergency response mechanism is continuously strengthened to ensure that rapid and orderly actions can be taken in the event of an emergency, minimizing losses and impacts. At the same time, the Company regularly conducts emergency drills in multiple fields such as explosion-proof, anti-terrorism, traffic, and public health, and organizes special drills for business scenarios such as forklift accidents, equipment-related injuries, and heatstroke, comprehensively improving the overall emergency response ability.

In 2025, the Company organized and carried out network-wide safety knowledge training and emergency drills, and commended and rewarded regions that actively organized the drills and performed excellently, further stimulating the vitality of frontline safety management and strengthening the enterprise's safety defense line.

In 2025, a total of more than **11,000** fire safety training sessions and emergency drills were carried out, with more than **930,000** participants.



On-site fire drill

Building a Responsible Supply Chain

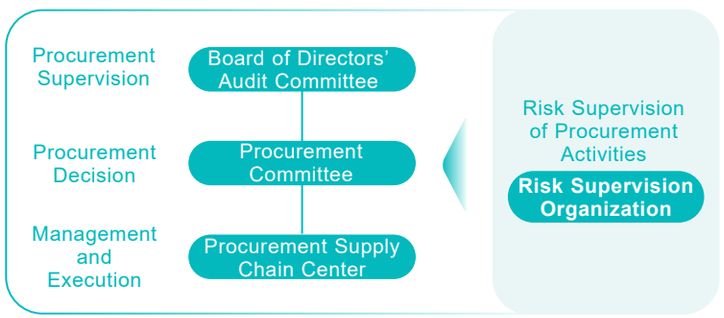
Adhering to the core value of “honesty-based”, the Company deeply integrates supplier management into its corporate sustainable development strategy, and is committed to creating a cooperative environment characterized by equality, respect, transparency, mutual development, win-win cooperation, and integrity. It promotes the establishment of a long-term collaborative mechanism with suppliers based on mutual trust, and jointly builds a responsible and sustainable supply chain ecosystem.

Supplier Management System

The Company has established a comprehensive supplier management system, strictly implemented supplier management regulations, and continuously improved the ESG risk management ability of the supply chain. By issuing regulations such as the *SF Supplier Code of Conduct*, the Company incorporates ESG requirements such as business ethics, safety and occupational health, labor and human rights, and environmental protection into supplier contract terms, and regularly reviews the suppliers’ performance. In 2025, the Company comprehensively upgraded its procurement and supply chain management policies, completed the revision of regulations such as the *Measures for the Contract Management of the Procurement and Supply Chain Center, the Measures for the Sourcing Management of the Procurement and Supply Chain Center, the Measures for the Quality Management of the Procurement and Supply Chain Center*, and the *Measures for the Sourcing Management of the Material Disposal Business*. At the same time, new policies and regulations such as the *Measures for the Regional Procurement Sourcing Management*, the *Measures for the Regional Procurement Contract Management*, the *Measures for the Regional Procurement Quality Management*, the *Measures for the Regional Procurement Order Delivery Management*, and the *Measures for the Regional Procurement Supplier Management* were added, further strengthening the standardization level of supplier access, performance, and quality management. The Company embeds the ESG concept into the entire procurement process, clarifies the orientation of green and responsible procurement, and terminates cooperation with suppliers involved in major disputes that fail to make timely rectifications to ensure the stable operation of the supply chain.

Supply Chain Management Structure

The Audit Committee of the Company’s board is responsible for supervising the fulfillment of social responsibilities in the supply chain. For major procurement projects and supplier cooperation decisions, the Company fully considers sustainable development factors and forms a procurement committee composed of multiple departments such as the procurement department, the procurement department, business demand departments, professional and technical departments, and supervision departments for comprehensive evaluation. It comprehensively considers the impact of decisions on sustainable development from multiple dimensions to ensure the scientific and forward-looking nature of decisions. To strengthen risk supervision in the procurement process, the Company has an independent risk supervision organization to strictly monitor the entire procurement process. At the same time, an internal control group is set up within the Procurement and Supply Chain Center for self-inspection and self-correction, forming a multi-level supply chain risk prevention and control system.



Supply chain management structure

Green Procurement Commitment

The Company formulates and implements the *Regulations on Green Procurement Management*, integrating environmental protection requirements into the full life-cycle management of suppliers. Through a combination of online and offline training and publicity, it continuously enhances the sustainable development awareness and green procurement execution ability of procurement management personnel. In procurement decision-making, the Company gives priority to eco-friendly products and services that save energy, water, and materials and use clean energy, reducing resource consumption and environmental impact, and promoting the effective implementation of the green concept at the procurement end.

On this basis, the Company further systematizes and institutionalizes the green procurement concept, formulates a green procurement statement, and clearly incorporates the green procurement principle into the procurement strategy, ensuring the long-term and continuous promotion of green procurement through regulations and contributing to the development of a low-carbon, circular, and sustainable supply chain system.



Green Procurement Statement

Core Principles

Comply with laws, regulations, and industry standards:

The Company is committed to strictly complying with the laws, regulations, and industry standards of the operating location. It establishes and implements a standardized supplier screening and management process based on the *SF Supplier Code of Conduct*, cooperates with suppliers to improve their environmental performance, and conducts training and communication projects to promote the sustainable development of supply chain partners.

Select partners with a focus on green initiatives and responsibility:

- Give priority to eco-friendly products and materials with renewable, degradable, or recyclable properties, especially focusing on packaging solutions in the express logistics scenario.
- Give priority to purchasing materials with relevant sustainability certifications.
- On the premise of ensuring quality, cost, and delivery efficiency, actively implement the localized procurement strategy. Prioritize qualified suppliers within the region to shorten the transportation distance, optimize the logistics route, and reduce carbon emissions from long-distance transportation.
- Give priority to suppliers that have set scientific carbon targets (SBTi) or have a clear carbon reduction path, and encourage the low-carbon transformation of the supply chain through procurement incentives.

Incorporate green procurement into supplier management:

Implement the following green procurement management action strategies:

- Conduct special training and capacity-building guidance on the supply chain to improve the ESG management capabilities of suppliers;
- Regularly evaluate and monitor suppliers’ performance in the field of environmental protection, incorporate suppliers’ environmental performance into the procurement decision-making process, and promote compliance implementation and continuous improvement;
- Actively promote the application and innovation of sustainable materials in the industrial chain, and jointly explore environmental protection alternatives with upstream suppliers.

To continuously promote the sustainable development of the supply chain, the Company sets phased green procurement management goals and focuses on enhancing suppliers’ environmental responsibility awareness and practical ability.

Green Procurement Management Goals

- By the end of 2026, complete written ESG assessments for 100% of key suppliers.
- By the end of 2026, enable 3,000 suppliers to participate in ESG-related training.

Supplier Risk Management

The Company conducts a systematic analysis of the internal and external environment of the supply chain, comprehensively identifies and accurately evaluates various risks originating from the supply chain, formulates targeted control strategies, and continuously promotes the optimization and improvement of supply chain risk management.



Risk Identification and Access Management

During the supplier screening phase, the Company comprehensively considers the locations of suppliers' operations, industry attributes, and business categories. In addition to business indicators such as product and service quality, it also evaluates risks in dimensions such as environment, health and safety, labor rights, integrity, ethics and business relevance. Through a combination of on-site audits and written reviews, the Company conducts pre-entry evaluations of suppliers, focusing on whether they have obtained relevant certifications such as the Environmental Management System (ISO 14001), Occupational Health and Safety Management System (ISO 45001), Compliance Management System (ISO 37301), and Information Security Management System (ISO 27001). For some specific product categories, suppliers are also required to provide environmental impact reports. Under the same conditions, the Company gives priority to suppliers with better ESG performance, controlling supply chain risks at the source and promoting the implementation of the concept of responsible procurement.

Supplier Screening Methods

The Company comprehensively reviews three dimensions: the countries/regions where suppliers are located, the characteristics of the sectors they belong to, and the categories of commodities they provide. It conducts risk identification and hierarchical assessment of the supply chain to identify potential ESG risks.

Risks in specific countries/regions: Risks such as trade compliance in some countries or regions are included in key management and control.

Risks in specific industries: The Company focuses on labor-intensive manufacturing, high-energy consumption production processes, and raw material suppliers with special pollutant emissions.

Risks in specific products: The Company focuses on core operating materials, such as express delivery bags, packaging bags, and envelopes. It conducts classified assessments based on their attributes such as material, recyclability, and whether they contain restricted chemical substances, and gives priority to screening green products with characteristics of recyclability, degradability, and low environmental impact.

The Company implements hierarchical management of suppliers based on product categories and procurement amounts. As of the end of the reporting period, there were 714 Tier-1 suppliers and 1,452 significant suppliers (including 495 significant Tier-1 suppliers and 957 significant non-Tier-1 suppliers). The total spend on significant Tier-1 suppliers accounted for 95.9%. In 2025, the Company conducted a comprehensive ESG assessment and management of suppliers. The main achievements are as follows:

Assessment Coverage and Capacity Building	The Company conducted desktop or on-site assessments of all 1,452 significant suppliers, with a coverage rate of 100% and an audit pass rate of 96%. At the same time, the supplier capacity building program covered 100% of significant suppliers.
Risk Identification and Mitigation	After assessment, a total of 61 significant suppliers were identified as having substantial actual or potential negative impacts. Among them, 33 suppliers were included in the agreed corrective action or improvement plans (with a support coverage rate of 100%, accounting for 54.1% of the total number of high-risk suppliers), and their improvement was promoted through capacity assistance. The cooperation with the remaining 28 suppliers was terminated due to uncorrectable risks.
Supplier Incentives and Ecosystem Development	The Company carried out the annual supplier evaluation and commendation work, commending a total of 94 excellent partners, including 5 best partners, 18 outstanding partners, 42 excellent partners, and 29 recipients of single-item awards, continuously building a supply-chain ecosystem of shared responsibility and win-win results.

Environmental and Social Impact Assessment

The Company attaches great importance to the comprehensive performance of suppliers in terms of environmental and social responsibilities. Through strict regulations and guidance, it ensures that suppliers continuously meet the requirements in areas such as environmental protection, safety assurance, and labor rights, and promotes suppliers to strengthen their environmental management, safety assurance, and other social responsibility performances to achieve the long-term goal of win-win development.

Environmental Protection

- Environmental permitting and reporting
- Pollution prevention
- Exhaust emission

Health and Safety

- Occupational safety
- Emergency preparedness

Labor Requirements and Protection

- Labor requirements
- Fairness and equality
- Employee protection

In 2025, the Company continued to deepen the environmental and social responsibility practices of the supply chain through the following key initiatives, and actively built a value chain that has a positive impact on society and the environment:

Sustainable development research

Issue the *Supplier Sustainable Research Questionnaire* to suppliers, setting 49 assessment questions around the three dimensions of environment, society, and governance to comprehensively evaluate their sustainable development performance;

Incorporate responsibility clauses into contracts

Incorporate social responsibility requirements such as environmental protection, health and safety, and labor rights into the supplier contract terms, and establish the ESG compliance baseline in the form of a contract to ensure that suppliers fully understand and promise to fulfill relevant responsibilities;

Regular evaluation and assessment

Incorporate the suppliers' practice performance in environmental and social responsibilities into the regular review and assessment indicator system to ensure that suppliers continuously meet the relevant requirements of the *SF Supplier Code of Conduct*. In terms of personnel management, suppliers are clearly required to have a reasonable number of employees, and when verifying the number of employees, it is necessary to verify whether they legally contribute to employees' social insurance to effectively protect the rights and interests of workers and promote suppliers to continuously improve labor compliance.

On-site assessments and support

Conduct on-site assessments of suppliers around key environmental and social issues. In addition to reviewing management system documents, conduct on-site assessments of elements such as their production environment, 6S management implementation, and workers' working environment comfort. For the problems found, the Company provides targeted rectification suggestions and support to help suppliers continuously improve their sustainable development capabilities. For suppliers with obvious ESG risks or negative impacts that still fail to meet the minimum ESG requirements after communication, the Company will exclude them from the contract candidate list. Suppliers with better ESG performance are preferred in supplier selection and contract awarding when other conditions are comparable.

Coaching, training, and technical support

For suppliers with relatively weak sustainable development practices, the Company actively conducts targeted coaching, training, and technical support. Through on-site guidance, special training, standard promotion, and technical resource sharing, it helps suppliers improve their environmental and social performance and gradually meet the Company's access and cooperation requirements.

Procurement Integrity Management

The company continuously improves the anti-corruption compliance management system, formulates the *Transparent Procurement Notification Letter*, clarifies the responsibility of both parties for integrity co-construction, and signs the *Integrity Agreement with suppliers*, strictly prohibiting acts of extortion, offering, and accepting bribes to ensure that business activities are legal and transparent. In 2025, the Company revised the anti-corruption-related clauses in the *Integrity Agreement*, further refining prohibited acts, liability for breach of contract, and supervision mechanisms, and continuously strengthening the defense line of integrity procurement to build a transparent and fair supply-chain cooperation ecosystem.

1. Registration — All suppliers are required to proactively declare the conflict of interest relationship, with a 100% declaration coverage rate in 2025.
2. Bidding — Supplier affiliations shall be screened to prevent bid-rigging and collusion in tendering.
3. Contract Signing — The *Integrity Agreement shall be signed, with clear reporting channels established. Suppliers may file a complaint or report if they discover any acts such as solicitation of bribes.*

Procurement integrity management initiatives

In terms of technical prevention and control and model optimization, the Company updated and launched the "Digital Model for Collusive Bidding Identification", and improved the transparency and fairness of the procurement process through data analysis and risk early-warning. At the same time, it continued to promote the application of Certificate Authority (CA) digital certificates in bidding and contract signing, strengthened identity authentication and electronic signature management to ensure that the process is trustworthy and tamper-proof.

In terms of regular due diligence and review, the Company organizes annual due diligence investigations on suppliers' anti-corruption and anti-bribery, and implements differentiated reviews based on risk levels. Through regular data reviews and dynamic performance evaluations, it continuously monitors the compliance status of suppliers to ensure that integrity requirements run through the entire cycle of supplier cooperation.

In 2025 a total of **3,770** suppliers participated in the Company's anti-corruption training, with a coverage rate of **100**%.

Supplier ESG Capacity Development

The Company has built a systematic supplier empowerment program, focusing on three dimensions of ESG training, practice sharing, and capacity improvement to help suppliers comprehensively improve their sustainable development management level and performance.

ESG training: Provide comprehensive ESG training to all suppliers to ensure that partners understand and follow the Company's ESG standards and requirements. The training content covers key modules such as anti-corruption, quality management, and environmental protection. This year, the Company provided green environmental protection special training to more than 3,000 suppliers through a combination of online and offline methods.

ESG industry practice sharing: Regularly communicate with suppliers on sustainable supply chain management matters, share industry best practices, and invite partners to share their goals and practice results in various ESG dimensions. Using excellent enterprises as benchmarks, learn and grow together with suppliers, help suppliers identify gaps and take improvement measures to continuously meet the Company's sustainable development requirements.

ESG capability enhancement: For specific ESG themes, the Company launches long-term supplier capability building support projects to systematically enhance suppliers' ESG management practices and performance, and promote the improvement of the overall sustainable development level of the supply chain.

Collaborating with Suppliers to Build a Green Supply Chain Ecosystem

In January 2026, the Company successfully held its annual supplier communication conference, with over 800 suppliers participating. The conference systematically publicized the Company's latest requirements and changes in procurement management mechanisms, cooperation requirements, and business development directions. In the green environmental protection session, the conference focused on sharing the Company's milestone achievements in green packaging innovation, low-carbon procurement practices, etc., and formally introduced the Science-Based Targets initiative (SBTi) to suppliers, clarifying the cooperation expectations in carbon emission reduction, application of environmental protection materials, and sustainable operations in the future. The Company advocates working with partners to promote green transformation and jointly build an efficient, resilient, and responsible green supply chain ecosystem.

Supplier ESG Capability and In-depth Technology Support Program

Supplier ESG capability and technology support is an important part of the Company's supply chain sustainable development management. Through a systematic project plan, the Company provides targeted technical support and guidance to suppliers, helping them deeply understand and effectively implement SF's specific requirements in the environmental, social, and governance dimensions.

New Application Field Projects: The Company empowers suppliers' innovative development through project cooperation. For example, the Company collaborates with core packaging suppliers to jointly develop new bio-based degradable packaging materials. While effectively reducing plastic use and environmental carbon footprint, it helps suppliers improve their R&D capabilities of green materials and the competitiveness of sustainable products. In addition, the Company and suppliers carry out refined reduction design and successfully develop multi-color packaging straps and optimized vehicle security seals. By shortening the length of the packaging strap by 3 cm, the consumption of the main raw materials is reduced by 3%; the vehicle security seal is optimized from a double-lock core to a single-lock core and shortened by 2 cm, reducing the consumption of the main raw materials by 8%. On the premise of ensuring function and safety, resource consumption and carbon emissions are significantly reduced, achieving a win-win situation of economic and environmental benefits.

Digital and Intelligent Management of Suppliers

In terms of digital and intelligent management of suppliers, the Company continues to promote technology-enabled and process optimization. In 2025, the following key measures were implemented:

ChatBI Intelligent Data Query Project

Using AI + BI technology, the scattered business system data is automatically integrated into a visual digital dashboard, supporting AI intelligent analysis to assist management decision-making, greatly improving efficiency, specifically including:

- Support for context understanding
- Support for data retrieval and analysis, presented in charts
- Support for data parsing and provision of optimization strategies

Enriching Online Management Scenarios for Suppliers

Combining with the adjustment of the procurement foundation architecture, further enrich the online management functions of the entire supplier lifecycle, including:

- Launching the online process for certifying abnormal suppliers
- Realizing the query and expansion capabilities of certified categories across procurement organizations, improving collaboration efficiency and management consistency

Online Management of Tender Deposit

In 2025, the Company realized the online management of procurement bidding deposits. Through the system platform, the deposits are accurately bound to the projects in which suppliers participate on a one-to-one basis, and the amount and method of deposit collection are managed online. This measure simplifies internal processes, improves the efficiency of deposit collection and refund, further consolidates the foundation of account management, and ensures that the accounts with suppliers are clear, transparent, and traceable.

Equal Treatment of Small and Medium-sized Enterprises

The Company actively supports small, medium, and micro-enterprises and continuously promotes the diversification and inclusive development of the supply chain. In 2025, 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 requirement for suppliers' registered capital was moderately reduced to create a fairer access environment for small and medium-sized enterprises to participate in the Company's business.

To further promote the construction of a diversified supply chain and improve local procurement capabilities, the Company optimized the regional procurement organizational structure in 2025. While improving decision-making efficiency, it more accurately identified and introduced small and medium-sized suppliers with professional capabilities. This change effectively lowered the access threshold for regional suppliers and stimulated the participation vitality of small and medium-sized enterprises. In 2025, the Company added 109 regional suppliers, laying a solid foundation for building a more resilient, inclusive, and competitive supply chain ecosystem.

> As of the end of the reporting period, the Company had no overdue payments.





Contributing to Social Well-being

SF has always integrated the creation of social value into the core mission of enterprise development. Relying on the unique advantages of the digital logistics network and supply chain, it actively participates in rural revitalization, educational public welfare, medical assistance, social disaster relief, and other fields, using practical measures to give back to social livelihood and demonstrating corporate social responsibility with actual actions.

Rural Revitalization

As a leading comprehensive logistics service provider in China, the Company has always closely linked its corporate development with social responsibility. It actively promotes the upward mobility of agricultural products to cities and the downward distribution of industrial products to rural areas, strengthens and expands its support for agriculture, and contributes to rural revitalization.



SF Agricultural Product Service Network



Promoting the Upward Mobility of Agricultural Products

In 2025, the Company actively responded to national policies and collaborated with local governments to create regional agricultural product brands. While establishing and facilitating online channels for agricultural products, it achieved the unity of business development and social value. For key agricultural product projects, it collaborated with local governments and associations to plan various brand promotion activities, including but not limited to online/offline promotion conferences, harvest festivals, picking festivals, fishing festivals, e-commerce festivals, and exhibitions. Through multiple measures, it enhanced the communication effectiveness and promotion capabilities of agricultural brands. In 2025, the Company helped establish over 32 regional agricultural product brands and held promotion conferences and logistics solution press conferences for fresh agricultural products such as tea, blueberries, cherries, flowers, lychees, and bayberries during their peak seasons, promoting the development of the agricultural industry and contributing to rural revitalization.

The Company continuously strengthened its research on carton packaging, starting from four dimensions: “freshness preservation”, “brand identifiability”, “cultural attributes”, and “eco-friendliness”. In 2025, it created 32 exclusive carton packages for more than a dozen fresh produce varieties such as tea, cherries, lychees, bayberries, and matsutake mushrooms, continuously enhancing the market competitiveness of regional characteristic agricultural products.

By the end of 2025, the SF service network for promoting the upward mobility of agricultural products had covered more than **2,800** county-level cities across the country, serving a total of more than **5,500** fresh produce varieties. In 2025, cargo volume of specialty agricultural products exceeded **8** million tonnes, effectively supporting the transformation and upgrading of local agriculture and contributing to income growth for farmers.



In addition, Leveraging its core strengths in production-to-sales matchmaking, the Company collaborated with leading short-video platforms to launch the themed campaign “Speaking for My Hometown,” empowering niche agricultural products to enhance brand recognition and expand market reach. The Company also established an innovative influencer partnership framework, drawing on its longstanding expertise in premium agricultural logistics to precisely connect livestream hosts with agricultural suppliers. This initiative opened new sales channels for farmers while generating incremental fresh produce shipment volumes.

Deeply involved in the Gannan navel orange industry, transforming from a logistics service provider to an industry enabler

The Company continues to be deeply involved in the Gannan navel orange industry, gradually realizing the transformation and upgrading from a transportation service provider to an all-industry chain ecological enabler. Guided by the rural revitalization strategy, with industrial integration at its core, the Company uses innovative models such as “Events +” and “Cultural and Tourism +” to resonate with the Gannan navel orange industry and jointly draw a “orange-colored” revitalization blueprint.

In terms of logistics network construction, the Company has built a logistics service network covering the entire production area. It not only sets up village-level service stations to solve the “first-mile” problem but also innovatively uses the idle capacity of buses to reduce transportation costs. Meanwhile, it invests in mobile sorting equipment and opens direct-delivery routes from the origin, enabling navel oranges to reach Singapore from Ganzhou within 3 working days, significantly expanding the sales radius.

In terms of brand and industry empowerment, the Company collaborates with local governments to launch cultural and tourism integration scenarios such as the “Orange BA” (Rural Basketball Association) tournament and the “Song Dynasty-themed Night Market” navel orange photo ops, promoting the implementation of the “Navel Orange Prince” IP mascot.. It participates in formulating the *Gannan Navel Orange Delivery Service Standard*, obtains the authorization to use the geographical indication of Gannan navel oranges issued by the Gannan Navel Orange Association of Ganzhou City, and launches co-branded customized cartons. At the same time, it organizes live-streaming e-commerce training and holds marketing forums to help fruit farmers master new-media sales skills, truly “teaching them how to fish”.

From temporary pick-up to ecological empowerment, the Company has completed the transformation from a logistics service provider to an industry enabler, providing a reference model for the transformation and upgrading of rural characteristic industries.



The “orange” wall in the Song Dynasty-themed Night Market attracts a large number of tourists to take photos.

Logistics empowers Dingxi Chinese herbal medicine, overcoming the "first-mile" bottleneck to help the industry expand beyond the villages

Dingxi, Gansu, is an important Chinese herbal medicine production area in the country. However, due to inconvenient transportation and poor logistics, the difficulty for farmers to send out their medicines has become a key bottleneck restricting the industry's development. The Company uses a comprehensive logistics solution, focusing on service network, professional packaging, and transportation timeliness systems, to help Dingxi Chinese herbal medicines break through the "last-mile" problem and transform the resource advantage into industrial momentum.

In terms of logistics services, the Company promotes the sinking of services, widely setting up service points in townships and villages, and forming mobile pick-up teams to go deep into the fields. It provides a one-stop service of "on-site packing, weighing, and immediate shipping", enabling farmers to ship their medicines right after harvesting. Considering the characteristics of Chinese herbal medicines being prone to moisture and deterioration, the Company customizes a professional packaging solution, equips with moisture-proof and pressure-proof materials, and opens direct-line transportation to major Chinese herbal medicine markets across the country, greatly reducing transit time and effectively ensuring the quality of the medicines.

In terms of value-chain extension, the Company provides "warehousing + express delivery" integrated services for local e-commerce customers and offers full-process traceability support for premium Chinese herbal medicines in combination with Fengsu technology. At the same time, relying on its integrated air-ground transportation network and warehousing-distribution integration capabilities, it efficiently undertakes large-volume logistics between pharmaceutical companies and national wholesale markets, becoming a "reliable partner" in the Dingxi Chinese herbal medicine industry supply chain.



Mobile pick-up team

From service sinking to industry empowerment, the Company always takes it as its responsibility to assist and benefit farmers. It activates rural industrial vitality through the logistics link, enabling more high-quality Chinese herbal medicines to leave the mountains and contributing the "SF strength" to rural revitalization.



The courier at the rural pick-up point helps with packing.

Deeply Involved in Rural Logistics

To accurately serve the express delivery needs of agriculture and rural areas, the Company continues to be deeply involved in the construction of the county, township, and village three-level logistics network. While opening up the upward channels for agricultural products, it efficiently supports the downward distribution of industrial products to rural areas.

In 2025, the Company's strategic focus will be on the construction of rural end-networks. By increasing resource investment and support, it actively promotes the upgrading of the rural logistics industry and responds to and supports the national rural revitalization strategy with practical actions. Specific measures include:

Strengthen the terminal service network

Through a combination of multiple models such as self-operated branches, township agents, and service stations, the Company increases the density of rural service touchpoints and provides diversified, convenient, and user-friendly end-services such as door-to-door delivery, self-pick-up points, and delivery to villages.

Optimize the regional distribution model

Implement a regional distribution mechanism with core townships as hubs, increase the frequency of distribution, streamline the express transit and handling processes, effectively reduce the risk of cargo damage, and significantly improve the end-delivery timeliness.

Improve the pick-up and delivery timeliness in rural areas

Box trucks and additional loading and handling equipment were deployed at township outlets to improve freight service capacity to and from villages.

Strengthen the freight support capacity

Rural branches have invested in van trucks and added handling tools for large goods to enhance the ability to deliver large express parcels to and from villages.

Standardize the image of end-points

Fully promote the construction of standardized end-point stations, unify the Visual Identity (VI) system and internal layout, set up a reception area, and focus on improving the experience of rural elderly people when coming to the store to send and pick up parcels.

By 2025, the Company's network service covered 99.86% of counties. There were over 42,000 self-operated and agency branches, and over 300,000 cooperative stations and co-distribution stores. A relatively complete rural express network has gradually taken shape, enabling farmers in villages to enjoy more convenient express services. The Company's annual logistics revenue in the rural market increased by 15.2% year-on-year, leading the overall revenue growth.

Public Welfare and Charity

The Company is well aware that enterprises are inextricably linked with society. It always remains true to its original aspiration, continuously engages in public welfare undertakings, and actively fulfills its social responsibilities. Since the establishment of the SF Public Welfare Foundation in 2012, the Company has been deeply involved in public welfare fields such as medical care, education, and environmental protection, and has given back to society through practical actions.

In 2025, the SF Public Welfare Foundation focused on the construction of governance capabilities. Combining industry trends and actual operations, it systematically sorted out and revised rules and regulations, adding and revising more than 30 core systems such as the *Management System for Public Welfare Projects of the SF Public Welfare Foundation* and the *Measures for the Administration of the SF Public Welfare Volunteer Service Team*. It also compiled the Risk *Management Manual of the SF Public Welfare Foundation* to improve the ability of risk identification, early warning, and handling. In terms of volunteer system construction, the Company systematically built an employee volunteer support system through five dimensions: system, rights, empowerment, incentives, and platform, laying a solid foundation for sustainable and high-quality public welfare actions.

Employee Volunteer Support System

System guarantee

Provide paid volunteer leave for employees participating in long-term public welfare projects such as “SF Lotus Education Aid Program” and “SF Warmth and Care Program”

Rights guarantee

Purchase accident insurance for volunteers participating in field visit activities during the activity period, provide support for centralized accommodation costs during the visits, and partially subsidize transportation expenses during volunteer services

Empowerment and training

Provide systematic pre-job training for volunteers participating in activities to improve their personal abilities

Honors and commendations

Conduct annual evaluations for individual volunteers and volunteer teams. Outstanding volunteers will receive administrative points from the Company, and outstanding volunteer teams will receive a RMB10,000 public welfare fund to support the continuous development of their subsequent public welfare services

Platform construction

The SF Public Welfare Management Platform has been established, with over 50,000 registered volunteers. It realizes functions such as individual volunteer activity registration, duration acquisition, and activity participation trace management

SF Lotus Education Aid Program

The SF Lotus Education Aid Program is a national development-oriented student aid program launched by the Company in 2012. Centered on students, it focuses on individual growth and development. Through a systematic application process, in-depth family visits, continuous financial support, and all-round accompanying tutoring, it helps students in difficult situations complete their studies smoothly, cultivates them into good young people with excellent character and a rich inner world, and helps them adapt to social development, actively give back to society, and contribute to their hometowns.

To further support the growth and giving back actions of the assisted students, the SF Lotus Student Aid Giving Back and Empowerment Center was officially launched in 2024, providing convenient and efficient learning services for students who participate in the “Giving Back” initiative. The empowerment center integrates functions such as course registration, community participation, course evaluation, learning duration recording, and learning certificate issuance, stimulating the learning enthusiasm of students who give back, and the empowerment effect is remarkable. The course system covers live classes, recorded classes, and offline classes to meet diverse learning needs. In addition, the SF Lotus Education Aid Program also carries out a variety of public welfare activities, providing interesting and meaningful practical experiences for students who give back, helping them grow, discover themselves, and build beliefs in the activities.

By the end of 2025, the program had covered 68 counties (cities, districts) in 18 provinces (autonomous regions, municipalities) across the country, cumulatively subsidized **45,862** students from families in difficult situations, more than **30,000** students had completed high school education and continued their studies in universities, and a total of RMB**290** million in scholarships and grants had been issued.

Main Developments of the Program in 2025

- **Economic Support:** In 2025, **3,944** additional students received financial aid across 39 project counties. During the year, the program partnered with 69 high schools and provided support to **11,700** high school students, disbursing approximately RMB25 million in grants. In addition, 1,645 university students participating in give-back activities were recognized and awarded scholarships totaling RMB6.95 million.
- **Psychological and Health Support:** For serious illness assistance, total support amounted to RMB86,000. In terms of collective and social support, 36 Dream-Sharing Sessions were held, reaching more than **3,600** students at 47 project schools. For the Growth Summer Camp, 95 accompanying teachers and 309 high school students from 38 project counties participated, while 86 university student volunteers from the Give-Back Program provided volunteer services throughout the camp.
- **Growth Empowerment:** Throughout the year, more than **1,300** students participated in empowerment courses, with total learning hours exceeding **8,500**. A total of 13 Give-Back Talks were held, featuring 43 alumni who shared their experiences.
- **Give-Back Connection:** During the year, more than **3,600** additional university students joined the Give-Back Program, and a total of 115 activities were carried out. Through these activities, 1,895 participations by give-back students grew from “participants” into “cocreators,” benefiting more than **7,500** students in total.

“Giving Back” Rural Summer Camp

With the core concept of “The countryside is my home”, the “Giving Back” Rural Summer Camp activity has built a diverse and interesting course matrix, covering a wide range of content such as outdoor exploration, creative handicrafts, and scientific experiments. It breaks the limitations of traditional classrooms and subtly integrates knowledge into game interactions and hands-on operations. Through immersive participation guidance and inspiring teaching, it creates a fulfilling and enjoyable summer growth experience for rural children. In 2025, 138 college student volunteers returning to give back with enthusiasm went to 10 rural primary schools in 8 provinces (autonomous regions) including Yunnan, Guangxi, Hunan, Henan, Hebei, Shaanxi, Gansu, and Shanxi. They accompanied 716 rural children through a summer full of laughter and warmth, witnessed each other’s transformation with sincere companionship and professional guidance, and practiced the pay-it-forward spirit of “becoming the light after being illuminated”, passing on love and hope from generation to generation.

“Giving Back” Homecoming Meeting

Centered around the five core value of emotional connection, experience inheritance, team cohesion, ability improvement, and influence expansion, the “Giving Back” Homecoming Meeting, as the core carrier of the “Give-Back Program”, builds a warm and solid “spiritual home” for students studying away from home through immersive care and personalized support. In 2025, the project has established bases in 35 cities across 25 provinces and municipalities in the country, operated 36 communities, covering over 7,500 people, gradually building a widely connected and continuously growing youth community. It has also launched the “City Exploration” series of activities for the first time, with a total of 41 theme activities planned and held, attracting more than 1,000 give-back students to actively participate. It has transformed the slogan of “a home in a foreign land” into a real and tangible companionship, effectively alleviating the loneliness of students studying in other places, significantly enhancing their sense of belonging and identity, and effectively promoting the vision of “turning a foreign land into a hometown” to take root.

SF Liangshan Charity Class Program

The SF Liangshan Charity Class Program is a public welfare program jointly launched by the SF Public Welfare Foundation and the Liangshan Mawei Development Center (the former Liangshan Yi Women and Children Development Center). It aims to provide warmth and hope for Liangshan’s orphaned children (referring to children who have lost one or both parents, are in difficult living situations, and have no one to rely on) and female high school students in difficult situations. It is committed to improving the living conditions of Liangshan’s orphaned children, helping female high school students in difficult situations overcome difficulties and complete their studies, and providing them with equal educational opportunities and access to equal educational resources.

In 2025, the program provided support to **122** students in need, with **114** students graduating from the program. As of the end of the reporting period, it had cumulatively supported **1,410** children lacking parental care and disadvantaged female secondary school students in Liangshan.



“Giving Back” Rural Summer Camp Activity



Give-Back Homecoming Meeting Theme Activity

SF Warmth and Care Program

The SF Warmth and Care – Children Medical Assistance Program (hereinafter "SF Warmth and Care Program") was launched in 2014. After more than a decade of development, it has now formed a comprehensive program group with the coordinated development of "a matrix of financial aid programs focusing on medical assistance" (hereinafter "Medical Assistance")" and "a matrix of growth-support programs focusing on humanistic care" (hereinafter "Humanistic Care"). The program adheres to the patient-centered approach, with the mission of "Protecting children's health and achieving a beautiful life". It upholds the project development concept of high-quality, warm, and sustainable development, and is committed to promoting the early detection, early treatment, and early recovery of children in difficult situations aged 0-18 with relevant diseases, helping the children grow healthily in both medical assistance and humanistic care. At the same time, it promotes the goal of "treating major diseases within the province" and the development of the children's medical industry.

As of the end of 2025, the SF Warmth and Care Program has cumulatively invested RMB**518** million, rescued over **26,000** children with serious illnesses and orphans in difficult situations, and provided humanistic care services such as warm care, growth companionship, and medical support to nearly **50,000** person-times of children, their family members, and medical staff.

Main Developments of the Program in 2025

- **Stable Progress in Medical Assistance:** During the year, more than **2,100** children with serious illnesses and orphans in need newly received medical assistance, with a total of RMB**32.8** million invested in medical aid.
- **Expanded Coverage of Holistic Care:** Through sub-programs such as Healing Spaces, Care Packs, themed care activities, online follow-up visits, offline engagement, disease screening, and care for medical staff, SF provided holistic care services to more than **8,300** child patients, family members, and healthcare workers.
- **Breakthroughs in Program Innovation:** SF launched a new education support initiative under the SF Warmth and Care Program, focusing on a critical stage in beneficiaries' educational development. The initiative provided **91** previously assisted child patients with multidimensional educational support, including financial assistance and ongoing companionship, helping bridge the gap in post-medical educational support and fostering a more integrated model of philanthropic assistance.

Warmth and care theme activity-Sharing happy times with child patients

In 2025, the SF Warmth and Care Program continued to adopt the method of "standardized distribution of quarterly humanistic care activity kits + multi-departmental collaboration at partner hospitals". A total of four phases of theme activities were carried out, providing heart-warming care theme activity services for 1,586 in-hospital children and their parents. The activities closely followed the characteristics of festivals and the needs of children, sharing the happy festival time with children and parents. This not only further promoted the implementation of the goal of wide-coverage humanistic care but also provided strong guarantee and support for the project-cooperating hospitals in the work of humanistic care for children.



Warmth and care theme activities

During the summer vacation, the program specially organized a "Shenzhen City Adventure Tour" for 5 children and their parents from Chayu, Xizang. It led them to explore the city's scenery and feel the humanistic temperature, deeply implanting the seeds of "striving for the better and being kind-hearted" in the children's life journey.



"Shenzhen City Adventure Tour" for children from Xizang

Disease screening-Linking high-quality medical resources to boost rural health revitalization

The SF Warmth and Care Program combined the methods of "jointly carrying out congenital heart disease screening with hospitals" and "supporting hospitals to carry out congenital heart disease screening and establishing green channels". It helped the program-cooperating hospitals to carry out in-depth disease screening, rescue and follow-up work at the front line, enabling children with congenital heart disease in difficult situations to "be detected early, treated early and recovered early". At the same time, it also contributed to the construction and development of relevant disciplines in hospitals.

The Company, in cooperation with the University of Hong Kong-Shenzhen Hospital, continuously carried out the "SF Warmth and Care – Children's Congenital Heart Disease Screening, Rescue and Health Campaign" in Chayu, Xizang, Guilin, Guangxi, Qingyuan and Shantou, Guangdong. A total of 2,806 school-age children were screened, and a long-term and sustainable green rescue channel for screening and rescue was established. A total of 38 children with congenital heart disease in difficult situations were funded to complete the treatment and regain healthy hearts.





SF Warmth and Care – Children's Congenital Heart Disease Screening, Rescue and Health Campaign

Emergency Response and Disaster Relief

In the face of emergencies and natural disasters, the Company has always regarded serving society and ensuring people's livelihood as its responsibility. It actively participates in social disaster relief and emergency public welfare projects, mobilizing the whole-network emergency resources to support disaster relief at the earliest opportunity. Relying on its own resource advantages and efficient organizational and deployment capabilities, it continuously contributes its due strength to safeguard life and social security.

In 2025, in the face of sudden social and natural disasters such as the fire in Tai Po, Hong Kong, the flood in Yuzhong, Gansu, and heavy rains in many parts of the country, the Company quickly activated the emergency response mechanism, urgently allocated transportation resources, and immediately cleared transportation routes in the disaster-stricken areas. Relying on the disaster-preparedness warehouses, it efficiently completed the distribution of multiple batches of emergency supplies, and actively donated supplies and funds to support post-disaster reconstruction. With its professional capabilities and efficient response, it provided strong support for the emergency rescue and post-disaster recovery in the disaster-stricken areas.



Helping each other in times of need and urgently rushing to the rescue of the fire in Tai Po, Hong Kong

On November 26, 2025, a serious fire broke out in Wang Fuk Court, Tai Po, Hong Kong, causing heavy casualties and property losses. The Company quickly activated the emergency response mechanism and donated HK$25 million immediately, which was specially used for the medical assistance of the affected residents, the guarantee of living materials and the post-disaster reconstruction work. Starting from the next day (November 27), the Company opened 146 SF stations in Hong Kong to provide free transportation services for rescue supplies, fully ensuring the circulation of disaster-relief supplies. At the same time, SF Hong Kong quickly formed a volunteer team to participate in the rescue and assistance work at the front line, practicing social responsibility and corporate responsibility with practical actions.



SF donated a total of HK$25 million for the post-disaster relief of the fire in Tai Po, Hong Kong



Innovating the disaster preparedness model and digital disaster relief to improve the emergency response efficiency

At the end of 2024, the SF Public Welfare Foundation, in cooperation with One Foundation, launched the “Emergency for Good-Frontline Disaster Relief Warehouse” project to explore a new model of joint disaster preparedness. In 2025, the project established a disaster preparedness warehouse radiating the north in Jinzhou, Shijiazhuang, and completed the storage of 4,000 transitional resettlement boxes and 3,000 summer care packages for children. This year, the project responded to the floods in Fuping County and Yixian County, Baoding, Hebei, the floods in Miyun District and Pinggu District, Beijing, and the flood in Yuzhong, Gansu. A total of 4,535 pieces of disaster-relief supplies were delivered from the warehouse, with an expenditure of more than RMB2.4 million, benefiting 16,719 disaster-affected people.

In terms of the construction of disaster prevention and mitigation capabilities, the “SF Emergency for Good-SF Express & One Foundation Safe Community Station” project continued to advance. The expert team carried out 10 emergency training sessions for 303 SF couriers in 6 cities including Taiyuan, Harbin, Shijiazhuang, Shenyang, Dalian and Zhengzhou around the training courses and supporting materials, improving the disaster response capabilities of frontline employees.



SF Emergency for Good – Frontline Disaster Relief Warehouse



Transport supplies to support the disaster-stricken areas

In the post-flood recovery in Yuzhong, Gansu Province, the project innovatively implemented the “digital work-for-relief” model, supporting environmental remediation and infrastructure repair in Xinglongshan Village and Nanpowan Village in Chengguan Town, Yuzhong County, as well as Nanbeiguan Village and Liujiaying Village in Xiaokangying Township after the disaster. Relying on the digital care platform, the project achieved precise matching of labor demand and transparent distribution of funds. Villagers received labor remuneration while participating in the reconstruction of their hometown, which not only ensured the efficiency and transparency of relief but also conveyed the values of respect and empowerment. This model fully demonstrates the unique advantages of digital means in disaster relief and promotes the formation of a multi-party collaborative and sustainable public welfare ecosystem.

Five minute Golden Rescue Circle-AED Network Construction and Emergency Capacity Improvement

In 2025, the Company made significant progress in the field of social emergency rescue facility construction, with a total investment of over RMB1.54 million throughout the year, continuously promoting the improvement of public emergency rescue capabilities.

In terms of equipment deployment, the Company has placed a total of 173 AEDs (Automated External Defibrillators) in Shenzhen, with 130 installed in direct-operated branches and 43 equipped in operational vehicles. Meanwhile, 5 AEDs were placed in Shanghai, further expanding the emergency rescue coverage network in key cities. In addition, 2,000 standardized medical kits were also allocated in Shenzhen to provide basic support for frontline emergency response.

In terms of personnel capacity building, the Company has completed first-aid training for 1,000 employees in Shenzhen, and they have obtained relevant certificates. In Shanghai, 50 employees have also received training and obtained certificates, initially forming a wide-covering and rapidly responsive frontline emergency force.

Relying on the deep-layout advantage of direct-operated branches, the Company has organically integrated emergency rescue services into the “capillaries” of the community, effectively extending the reach of public safety. Currently, all AED devices in Shenzhen’s branches have been officially connected to Tencent’s city wide emergency rescue network system, enabling real-time sharing of device locations and coordinated dispatching, which helps to build an intelligent and collaborative urban emergency response ecosystem.



Employee first-aid training

05

Services

Leading with Digital Intelligence to Connect the Globe and Empower Overseas Expansion

The convergence of a new wave of technological and industrial transformation is reshaping the global logistics and supply chain ecosystem, while mapping out a clear path for companies to embrace ESG principles and pursue high-quality development. As an industry leader, SF upholds the philosophy of "creating value and embracing responsibility," embedding sustainability across the entire service chain. In intelligent logistics, the Company drives innovation in big data, the Internet of Things, and large-scale models to build an end-to-end digital and intelligent operating system, advancing the intelligent and green evolution its services. On the international front, the Company is seizing opportunities presented by the restructuring of global industrial chains and the globalization of Chinese enterprises, strengthening resource allocation and network coverage to deepen its strategic path of "the One in Asia with global reach." At the same time, the Company remains steadfast in its commitment to high-quality service – using standardization as a foundation and granularity to elevate customer experience – while reinforcing delivery safety to harmonize quality, value, and security, contributing logistics strength to industrial upgrading and social progress.

- Pioneering Intelligent Logistics
- Providing Premium Services
- Empowering Global Expansion
- Safeguarding Delivery Security





Pioneering Intelligent Logistics

SF is committed to building a digital and intelligent supply chain ecosystem in the digital era and becoming a leader in smart supply chains. By leveraging deep insights into supply chain scenarios and extensive industry experience, and through continuous exploration and application of cutting-edge technologies, the Company enhances the efficiency of its internal logistics network while establishing best practices in digital and intelligent logistics and supply chain management for its clients.

Technological Innovation

Technological innovation serves as the core driver of the Company's business upgrades and efficiency improvements. In response to the complex and ever-changing operational challenges of the logistics industry, the Company views technological innovation as the key to addressing these challenges. By extensively applying cutting-edge digital technologies, the Company is driving a transformation across the entire logistics chain from experience-driven to data-driven operations, fully integrating intelligent capabilities into every operational stage, including pickup, transshipment, and delivery. The deep integration of technological innovation with business scenarios not only helps optimize the operational cost structure and improve resource utilization efficiency but also further unlocks business growth potential and enhances market competitiveness, achieving a dual improvement in both profitability and operational efficiency.

Governance

The Company has incorporated digital intelligent logistics solutions and technological innovation into its core development strategy, placing great emphasis on the leading role of technological innovation in driving high-quality development. The Company has established a governance framework for technological innovation, providing robust support for innovative development through centralized management by specialized governance bodies. At the top-level design stage, guided by the strategic decisions of the Board Strategy Committee and centered on the corporate vision of "to be the well-respected and the world's leading digital intelligence logistics solution provider." the Company has established a digital and intelligent-driven strategic direction. By seizing the opportunities presented by the new wave of technological revolution, the Company is driving the upgrading of logistics and supply chain services. At the organizational execution level, the Chief Information Officer leads the establishment of a specialized technology governance framework. The Technology Department at headquarters has established an Architecture Committee responsible for addressing common architectural issues and managing technology domains. This committee drives system architecture upgrades across all business domains and builds a cross-organizational team of technical experts to collaborate on co-creation. By developing industry-leading R&D and architecture management capabilities, the Company provides robust technical support for the realization of its vision.

The Company continues to refine its innovation management system, combining online innovation platforms with offline innovation activities to drive the efficient translation of innovation outcomes. In 2025, the Company focused on improving the quality of innovation projects. In collaboration with professional committees, it refined the definitions of innovation across specialized fields, standardized innovation terminology, established tiered criteria for innovation definitions, strictly controlled quality, and promoted the widespread adoption and reuse of best practices.

SF Innovation Framework

Innovation Cultivation	Innovation Generation	Innovation Implementation	Innovation Value
Innovation Workshop • Introducing innovative thinking and tools, developing innovation capability, stimulating creative thinking, and mastering innovation tools or methods.	**Innovation Lab** • Conduct team brainstorming to develop innovative solutions for business or technical pain points and challenges. • Showcasing innovative tools, methods and technical solutions that are small yet effective in daily operations.		**Innovation Sandbox** • Unlocking the value of innovation replication to reduce costs and improve efficiency for the Company.



Strategy

The Company is consistently committed to driving supply chain innovation through digital and intelligent technologies, aiming to build a more resilient, efficient, and cost-effective global supply chain logistics system and to facilitate the optimal allocation of global network resources. The Company has established a dual-driven innovation system underpinned by “cutting-edge technological innovation” and “industry-specific solution innovation.” In the dimension of cutting-edge technology, the Company continuously integrates technologies such as big data, Artificial Intelligence (AI) large models, digital twins, and intelligent unmanned equipment into the entire supply chain process – including global logistics network construction, warehousing, pickup and delivery, transfer, and transportation – applying industrial-grade standards to ensures optimal overall coordination and efficiency improvements from individual nodes to the entire network. In the dimension of industry solutions, based on a profound understanding of the characteristics and demands of supply chains across various industries, the Company provides first-class digital and intelligent industry solutions to its clients, thereby meeting diverse market needs. The Company remains committed to strengthening its technology reserves and continuously optimizes its innovation mechanisms. With a forward-looking technology strategy, it seizes new opportunities arising from industry transformation to drive the digital and intelligent transformation of the logistics and supply chain sector.

The Company fully recognizes that while the deepening advancement of digital and intelligent transformation reshapes business models and enhances operational efficiency, it also brings new risks such as technological iteration uncertainty, data security, and technology ethics. To ensure the steady implementation of its strategy, the Company systematically identifies potential risks and strategic opportunities within the digitalization process and has established a comprehensive assessment and analysis mechanism.

Risk/Opportunity Type		Time Range	Potential Financial Impact	Response Measures
Opportunity	Technology Enhances Efficiency Across the Logistics Chain	Short-term Medium-term	Technology empowers SF’s logistics operations. Through efficient logistics decision-making, transportation route optimization, and sorting center simulation, the Company can reduce various costs, including those associated with trunk-line transportation, sorting, and compensation for timeliness delays. The implementation of unmanned technologies also enhances operational efficiency in transfer, warehousing, and transportation, thereby reducing labor and transportation costs. As the adoption rate of intelligent agents increases, the level of operational intelligence will rise significantly, improving both cost-effectiveness and revenue quality.	• The Company deepens the application of intelligent technologies in scenarios such as marketing, sales, customer service, sorting, transportation, pickup and delivery, international operations, and supply chain management to drive the dynamic optimal allocation of resources across the entire chain and to build a new type of organization comprising multiple intelligent agents and human employees. • The Company enhances the deployment of automation and unmanned technologies across all links, including sorting, warehousing, and transportation, as well as in logistics scenarios for various industries, to promote the efficient operation of its network. For more details regarding technology applications, please refer to the chapter “Services – Pioneering Intelligent Logistics – Technology Applications.”
	Build Leading Digital and Intelligent Logistics Solutions	Medium-term Long-term	Leveraging the Company’s extensive experience and profound understanding of supply chain services across multiple industries, combined with cutting-edge technological capabilities such as AI large models and big data, the Company provide its clients with comprehensive digital and intelligent supply chain solutions. This enhances client stickiness and deepens cooperation, thereby driving revenue growth for the Company’s supply chain-related businesses. Furthermore, by capitalizing on the Company’s global logistics network, it extends these technological capabilities to empower enterprises in their overseas expansion, promoting the growth of international business revenues.	• The Company redefines the paradigm for supply chain consulting and planning services by developing a tripartite solution integrating “Consultation & Diagnosis + AI Empowerment + Full-Link Digitalization”. It combines SF’s rich industry experience with its “Fengzhi” large model and “Fengzhiyun” system products and solutions to offer enterprises end-to-end, closed-loop services spanning from top-level design to implementation. • The Company builds a digital supply chain platform characterized by “industry-specific customization,” “digital and intelligence,” and “internationalization.” This platform assists enterprises across sectors in establishing a competitive global supply chain layout and in meeting their supply chain fulfillment requirements both efficiently and to a high standard. For more details on digital intelligent logistics solutions, please refer to the section “Services – Pioneering Intelligent Logistics – Technology Empowerment.”
Risks	Compliance risks related to network security and data leakage	Short-term	Affected by the external network security environment and the differences in data compliance policies across countries, any violation or cyberattack would directly incur additional costs such as fines and risk mitigation. Customer attrition could further lead to revenue declines and profit fluctuations.	SF has established a comprehensive mechanism to safeguard information security and cybersecurity, and has obtained certification for both the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System. For more information regarding information security compliance, please refer to the chapter “Governance – Ensuring Information Security.”
	Risks related to AI decision-making dependence and ethics	Medium-term Long-term	Given the Company’s extensive business network coverage and highly diverse operational scenarios, the application of AI technology across the entire logistics chain entails risks of model failures and decision-making deviations stemming from uncertainties in technological iteration. Should such risk events materialize, they would directly increase operational costs related to model optimization and risk mitigation. Concurrently, this could lead to diminished customer stickiness and reduced revenue, thereby impacting the Company’s profitability.	• The Company embeds the principles of responsible AI into its technology R&D, business operations, and value-creation processes. It has established a Big Data and Algorithm Sub-committee as a dedicated body for algorithm security governance and has formulated regulations including the “Administrative Measures for the Security of Application Recommendation Algorithms” and the “AI Security and Compliance Management Standards.” These documents define the security and compliance baselines that product development and research operations must adhere to during algorithm design and the application of artificial intelligence and large models. For more details on technology ethics, please refer to the section “Services – Pioneering Intelligent Logistics – Technology Ethics.”

Impact, Risk, and Opportunity Management

As the process of digital and intelligent upgrading accelerates across sectors, customer demand for digital and intelligent logistics solutions is growing. Driven by technological innovation, the logistics industry is evolving toward greater intelligence and efficiency. Leveraging its longstanding expertise in logistics and forward-looking deployment of cutting-edge technologies, the Company seizes development opportunities arising from technological innovation. It continuously enhances logistics network operational efficiency through technological innovation, thereby improving overall logistics service quality and customer experience. Simultaneously, the Company actively expands its service boundaries, deepening the integrated application of technology within supply chain scenarios across various industries, and empowers industrial development with its digital and intelligent capabilities.

The Company closely monitors internal and external policy shifts, technological iteration trends, and the development needs of the logistics industry. Grounded in its position as a comprehensive logistics service provider, it defines clear directions for technological innovation. It systematically identifies innovation entry points across the entire cycle of research and development (R&D), transformation, and application, with a focus on exploring potential opportunities in areas such as logistics large models, intelligent agents, automation, and unmanned systems. This approach forms innovation pathways aligned with the entire logistics chain, driving the sustainable and high-quality development of the logistics industry.

While identifying major opportunities in technological innovation, the Company also implements multiple measures to mitigate associated risks. For instance, regarding the protection of technological intellectual property, it has established a rigorous and standardized management system, implementing scientific and effective hierarchical, classified, and differentiated management, while raising awareness of innovation protection through training. In terms of data security risk prevention and control, the Company regularly conducts data security audits, network security vulnerability assessments, and practical emergency drills, continuously refining its emergency response mechanisms for information and network security incidents. Concerning technology ethics, the Company has set up a dedicated body to oversee algorithm security governance and embeds the principles of responsible AI into its technology R&D, business operations, and value-creation processes.

Metrics and Targets

The Company consistently places technological innovation at the core of its development strategy, attaching importance to R&D investment and tackling key technical challenges, thereby maintaining a strong level of R&D expenditure. It continues to deepen its expertise in technologies such as artificial intelligence, big data, and operations research optimization, using technological innovation to empower business growth, support the high-quality upgrading of logistics services, and simultaneously advance green, low-carbon operations. Looking ahead, the Company will persistently enhance its independent innovation capabilities and core technological competitiveness. It aims to achieve more landmark innovations in fields like intelligent logistics and digital supply chains, secure more authoritative industry, national, and international technology awards, and build long-term advantages for the enterprise through technological leadership.

In 2025, the Company became the sole Chinese enterprise to receive the Franz Edelman Award (Finalist) for its “SF Logistics Network Planning Intelligent Solution” project. This project achieves global optimization of large-scale logistics networks by integrating an efficient iterative solution algorithm with a significantly streamlined mathematical model, effectively resolving complex network planning challenges. Since 2018, the project has cumulatively enhanced the timeliness performance of more than one billion parcels, while contributing to significant carbon emission reductions, delivering synergistic improvements in both economic and environmental benefits. This demonstrates international recognition for SF’s application of operations research and the value delivered by the project.



Franz Edelman Award (Finalist)

* Note: The Franz Edelman Award is presented by INFORMS (Institute for Operations Research and the Management Sciences), the world’s largest professional association for operations research, artificial intelligence, analytics, and data science. It is the highest honor in the global operations research and management science community and is often regarded as the “Nobel Prize of Industrial Engineering.” As an award of immense global influence, its selection results are also considered a bellwether for worldwide technology development trends.

The Company is committed to deeply integrating patented technologies with its core business scenarios, ensuring technology implementation serves business development needs. As of the end of the reporting period, the Company held 4,315 patents (both in force and under application) and 2,551 software copyrights. Invention patents accounted for 66.1% of the total patent portfolio, demonstrating the continued prominence of its core technological innovation strength and the effectiveness of its achievement transformation. In 2025, the Company applied 853 invention patents to its main business operations. Throughout the year, it filed 338 new invention patent applications and was granted 221 invention patents.

With its technological innovation capabilities continuing to strengthen, the Company expects to file at least 200 new invention patent applications in 2026. It is also committed to expanding its overseas patent portfolio, extending technological innovation and achievement protection to overseas regions to support the development of its international business.

Proportion of the number of invention patents

66.1%

Number of invention patents applied to the main business

853



The research and large-scale application project on collaborative decision-making technology featuring an “Expert Agent + Vertical Domain AI Model” for logistics networks received the Science and Technology Achievement Award (Third Prize) from the China Computer Federation (CCF).



The “Intelligent Logistics Planning and Decision-making Platform” was honored with the 2025 Red Dot Design Award by the German Design Association.



SF Technology is certified as a “National High-tech Enterprise”.



SF Technology was named to the Fortune China Top 50 Technology Companies (2025) list.





The “SF Baichuan WES System – A Global Digital Intelligent Automated Warehousing Platform” secured First Place in Smart Warehousing and Logistics Technology and won the Gold Award at the Logistics and Transportation Key Technology Innovation Competition from the China Communications and Transportation Association.



The case study titled “‘SF Intelligent Cloud Strategy’ and ‘SF intelligent Cloud Tower’ Systems Facilitate Digital Intelligence Upgrading of the Fresh Food Industry Supply Chain” was shortlisted for the “2025 Digital Intelligence Application Cases of Enterprises in the Logistics Industry and Supply Chain Field” by *China Logistics & Purchasing* magazine.



The “Innovative Practical Application Case of an Automated Processing Center for Optical Eyewear Industry Warehousing” was shortlisted for the “2025 Innovative Practical Application Cases of Enterprises in the Logistics Industry and Supply Chain Field” by *China Logistics & Purchasing* magazine.

Technology Applications

By integrating artificial intelligence, big data, operations research and digital twin technologies, the Company has established the digital and intelligent infrastructure and central intelligence platform for the entire SF Group globally, positioning itself as the go-to partner for customers' digital supply chain transformation.

Deep Integration of Intelligent Technologies: AI Empowering End-to-End Internal Operations

The SF large-model system integrates three core elements – big data, algorithms and computing power – into a cohesive framework tailored to SF's operational scenarios, enabling cross-business collaboration and a closed-loop "perception-decision-execution-optimization" mechanism. Built on efficient computing architecture and general-purpose foundation models, the Company has developed multi-agent clusters serving the logistics domain, possessing superior understanding of logistics and supply chain operations. These agents have been deployed in over 30 internal business scenarios, continuously driving intelligent upgrades.

As of the end of 2025, the SF large-model platform recorded average daily token consumption of over 10 billion. The number of intelligent agents across various categories grew rapidly, exceeding 5,000 in total. The scale and depth of large-model R&D applications continue to grow rapidly.



Dispatch

Fulfillment agents dynamically forecast parcel arrival times and proactively address risks such as traffic congestion or flight delays. In cases of flight disruption, the system generates alternative solutions such as air-to-air or land-to-air transfers, within seconds, evaluating timeliness, cost and weather risk, alleviating manual coordination complexity and ensuring service reliability.

Transit

Through image, video and operational data analysis, the system automatically identifies anomalies and optimization opportunities. AI detects packaging and label issues, replacing manual inspection processes and improving abnormal parcel handling efficiency. Intelligent site inspections enhance transit efficiency and digital management. These technologies have been deployed across more than 200 sorting centers nationwide.

Pickup and Delivery

The Company has developed an "AI Digital Companion" tailored for frontline couriers, comprehensively enhancing service quality and operational efficiency at the last-mile stage. Prior to employees' on-boarding, AI-powered scenario-based simulations are used to strengthen couriers' practical competence in pickup and delivery procedures, customer services and business development. During daily operations, the AI Courier Service Center provides real-time responses to business inquiries and waybill tracking requests, supporting voice interaction and recording tens of thousands of daily invocations on average. In addition, by leveraging an AI-driven proactive outbound calling mechanism to automatically issues service reminders, the system significantly reduces the workload of service outlets managers in monitoring shipment timeliness. This mechanism effectively mitigates the risk of delayed deliveries and safeguards precise time-definite service commitments.

International Business

AI technologies are driving the intelligent upgrade of the Company's international order placement and customs clearance processes. At the order placement stage, AI-enabled systems automatically assess whether declared items comply with applicable customs requirements and provide end-to-end guided prompts to customers throughout the submission process, thereby supporting incremental revenue growth. At the customs declaration stage, the Company has addressed longstanding industry pain points – including limited multilingual support, lagging rule adaptation, the complexity and high error rate associated with HS code classification, prolonged customs inspection cycles and low manual review efficiency – by launching a suite of intelligent solutions, including "Smart Commodity Classification Filing," "AI High-Resolution Inspection," and "AI-Assisted Document Review." These capabilities enable the precise identification of potential risks in customs declarations. Leveraging large foundation models, the system also standardizes and streamlines product descriptions into concise and compliant declaration names. In the global cross-border HS classification process, the Company utilizes its proprietary customs classification and declaration element recognition models to support intelligent product categorization across 31 countries, achieving a high accuracy rate of 93%.

Accelerating Unmanned Technology Deployment to Reduce Logistics Costs while Optimizing Efficiency

The Company continues to explore the deployment of automation and unmanned technologies across various logistics scenarios, supporting the transformation of its operating model and enabling efficient network operations.

Transit

In 2025, the Company further strengthened its transit capabilities by deploying approximately 580 additional sets of automated sorting equipment, significantly enhancing automation levels across both small-parcel and bulky-item facilities. At the same time, the Company independently developed and introduced multiple categories of unmanned equipment to improve handling and sorting efficiency within sorting centers.

Flat-Item Sorting Machine

By integrating computer vision with intelligent induction and distribution technologies, this equipment enables high-speed, automated identification of flat envelopes and small parcels, facilitating efficient three-dimensional sorting. Each unit currently achieves an operating efficiency of over 4,000 pieces per hour, with a mis-sorting rate of less than 0.01%, delivering both speed and accuracy at scale.

AGV Robots

The Company has extensively deployed AGVs in transshipment operations employing high-precision SLAM navigation technology. These AGVs operate autonomously without manual intervention, completing parcel handling and loading/unloading tasks automatically. Leveraging multi-robot collaborative scheduling algorithms and dispatch mechanisms, the system enables intelligent coordination among multiple AGVs, while dynamic warehouse zoning management allows flexible response to peak demand periods and ensures high site utilization. End-to-end route tracing technology generates digital footprints for each task, enhancing operational transparency and management visibility. Currently, the Company has deployed over a thousand AGVs, with daily handling capacity reaching nearly ten million shipments.



Warehousing

Leveraging its proprietary Baichuan Digital Supply Chain Platform, the Company has developed a flexible, intelligent and data-driven automated warehousing solution. The system features configurable rule engines and process architectures, supports integration with mainstream automation equipment, and enables end-to-end automation management across operational nodes. Through a modular workflow engine and intelligent task orchestration, the platform ensures stable, high-efficiency warehouse operations at scale. In addition, the Company has standardized its single-warehouse automation implementation experience into a replicable model, enabling the “one standard, multi-warehouse deployment” approach to accelerate network-wide rollout.

Currently, the Company has successfully developed multiple large-scale automated high-bay warehouses and process-automation facilities across various industries, delivering integrated, digitalized and automated warehousing solutions for leading enterprise customers.

Bin-Type Automated Storage and Retrieval System (AS/RS)

Utilizing standardized totes as storage units, the bin-type AS/RS enables high-density storage and fully automated retrieval operations. The system can be integrated with tote-handling robots, shuttle carriers and high-speed climbing robots to support flexible and efficient material movement. This solution has been widely adopted by customers in sectors such as consumer goods and apparel and footwear, delivering scalable automation and enhanced operational precision.

Rack-Based Automated Storage System

Comprising ultra-high-density racking structures integrated with latent-type AGVs, this solution achieves exceptional space utilization and is particularly suited for small-sized item storage. In collaboration with a leading international optical eyewear manufacturer, the Company established a strategic demonstration facility featuring multi-tiered refined inventory management, container-level tracking and full-chain traceability capabilities. The system enables real-time inventory visibility and granular management, supports automated piece-level picking of ultra-small components such as lenses, and facilitates precision processing and assembly. As a result, the facility is capable of dispatching tens of thousands of lenses per day with an accuracy rate exceeding 99%.

“Lightning Sort” Intelligent Put-Wall System

As a three-dimensional intelligent put-wall sorting solution, the system combines automatic barcode scanning and intelligent task dispatch to enable rapid and precise sorting of multiple orders. It supports flexible configuration across eight inbound and outbound scenarios, accommodating diverse frontline operational requirements. Compared with purely manual put-wall operations, sorting efficiency is improved by 50% to 300%, significantly enhancing throughput capacity.

Autonomous Mobile Robots (AMR)

The Company has deployed AMR robots across multi-zone picking environments, equipped with autonomous path-planning capabilities that enable flexible material handling and intelligent flow management in dynamic and complex settings. Through intelligent task decomposition and route optimization algorithms, the system minimizes congestion at picking points and enhances overall efficiency. Compared with manual picking operations, AMR-assisted picking efficiency is improved by 30%.

Transportation

The Company has achieved large-scale, multi-scenario deployment of autonomous delivery vehicles, with applications spanning short-haul transportation, short-distance shuttling, intra-site transfers, campus and commercial district distribution, as well as customized customer solutions. As of December 2025, the Company had deployed nearly 3,000 autonomous vehicles across more than 130 cities nationwide. Leveraging a unified autonomous vehicle service and monitoring platform, the Company has established centralized dispatching and intelligent management capabilities covering multiple vendors and vehicle models, continuously improving the operation quality and efficiency of unmanned vehicles.

Technology Empowerment

Digital and intelligent logistics solutions constitute a core pillar of the Company's vision, representing both a key strategic direction and the fundamental embodiment of its core competitiveness. Leveraging its directly-operated model, which generates extensive, multi-scenario, end-to-end data across diverse industries spanning both production and consumer sectors, together with industry-leading logistics technology applications, the Company has established a distinctive first-mover advantage and is committed to delivering leading digital and intelligent supply chain solutions to its clients.

Supply Chain Consulting and Planning

The Company has comprehensively innovated its supply chain consulting and planning service model, establishing an integrated "Consultative Diagnostics + AI Empowerment + End-to-End Digitalization" solution framework. By combining its deep-rooted logistics and supply chain expertise with the "Fengzhi" large language model and the "Fengzhi Cloud" system product suite, the Company delivers closed-loop, end-to-end services ranging from top-level design to on-the-ground implementation. This approach enables enterprise-wide supply chain planning coordination and integrated fulfillment digitalization capabilities.

The Company's consulting and digital enablement solutions have been successfully deployed across multiple sectors, including consumer goods, chain retail, high-end components, and telecommunications and digital products. These solutions cover core scenarios such as intelligent logistics network planning, logistics planning collaboration, dynamic optimization of warehousing and distribution networks, and integrated execution of logistics and supply chain operations. The services further extend to broader strategic requirements, including industrial chain collaboration, overseas expansion and localization strategies for multinational enterprises operating in China. Through this comprehensive framework, the Company provides actionable advisory and implementation services that drive digital transformation, operational efficiency optimization and supply chain resilience enhancement.

For example, a leading global consumer electronics ODM enterprise faced the challenge of managing a highly complex supply chain network comprising dozens of production bases worldwide and thousands of suppliers. The client's material flows were intricate, and demand forecasting posed significant difficulty. Although the client had implemented information systems across various business scenarios, pronounced data silos, fragmented process connectivity, and delayed decision-making hindered operational efficiency, extended delivery cycles, and elevated costs.

In response, the Company designed a tailored consulting and system optimization solution, focusing on the full supply chain lifecycle across the client's China-Vietnam network, encompassing planning, procurement, logistics, production, delivery and settlement. By iteratively upgrading digital systems such as WMS, TMS, BMS and SRM, the Company constructed a logistics management framework optimized for maximum efficiency and cost effectiveness. This holistic transformation significantly improved inventory health, strengthened operational coordination, and enhanced end-customer satisfaction.

Intelligent Supply Chain Decision-Making

The Company has established a deep strategic partnership with a leading international retail food brand, extending its service scope upstream into the client's manufacturing operations by optimizing factory production scheduling through intelligent planning solutions.

Operating in a high-turnover market environment, the client confronted three primary challenges: short product shelf life constraints, complex processing requirements, and frequent fluctuations in end-market demand. The client's traditional production scheduling model – largely dependent on manual experience and rule-based logic – was no longer capable of responding swiftly to dynamic changes. This resulted in elevated production line operating costs, underutilized short-cycle capacity, and misalignment between material supply and manufacturing demand.

To address these challenges, the Company leveraged its proprietary supply chain optimization algorithms to develop an integrated production planning and optimization platform covering procurement, manufacturing, logistics, sales, and after-sales service. The platform enables optimized resource allocation across production and procurement functions, while supporting intelligent workforce scheduling at the operational level.

As a result, the solution significantly improved order fulfillment rates, reduced production line changeover time, lowered manufacturing costs, and enhanced the velocity of material turnover. Through this end-to-end intelligent optimization framework, the Company enabled the client to achieve leaner operations and more agile, demand-driven production management.

End-to-End Cross-Border Supply Chain Visibility

Taking as an example the expansion of 3C manufacturing capacity into Vietnam, leading enterprises within the value chain often face a highly complex supply chain landscape characterized by a large number of component suppliers, extensive SKU portfolios, and inconsistent product coding and specification standards. During cross-border circulation, upstream raw material suppliers typically arrange transportation and warehousing independently across China and Vietnam, resulting in fragmented resource allocation, elevated coordination costs, reduced supply chain flexibility, and increased management and monitoring complexity.

Following integration with the Company's proprietary Baichuan Digitalized Supply Chain Platform, the client is only required to consolidate components at the Company's designated consolidation warehouse in China. Thereafter, the entire process – including domestic transportation, customs declaration and clearance, cross-border transportation, in-country distribution in Vietnam, and inbound handling at overseas warehouses – is seamlessly managed under the Company's integrated end-to-end service framework. Throughout this process, the Company provides comprehensive logistics visibility and real-time order routing traceability. Leveraging its digitalized systems, the Company further enables flexible cross-border land transportation scheduling and standardized warehouse operations, materially enhancing supply chain agility and process stability.

This model substantially reduces the management burden associated with multi-country coordination for lead enterprises, enabling transparent, end-to-end international supply chain control and efficient execution. As a result, overall supply chain quality and responsiveness are systematically improved, strengthening the client's global operational resilience.

Efficient Localized Overseas Operations

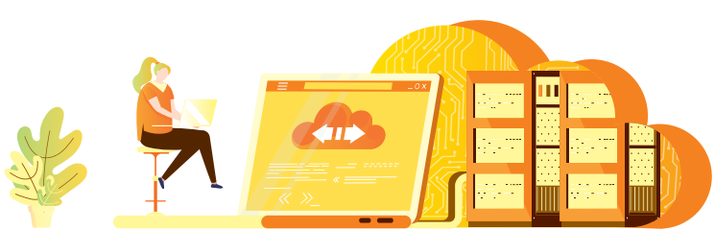
When expanding into overseas markets, a well-known designer toy brand sought to replicate its domestic warehousing and supply chain management model abroad, with a view to minimizing the learning curve and adaptation costs for its overseas teams while retaining the flexibility to respond to order volume spikes at controllable cost.

In response, the Company's Baichuan Digitalized Supply Chain Platform was deployed overseas in a manner fully compliant with local laws, regulatory requirements, and cultural considerations, while preserving, to the greatest extent possible, the client's established domestic fulfillment standards and operating practices. This approach enabled the rapid localization and seamless implementation of the client's overseas operations. Given the brand's distinctive "flash sale" characteristics, under which order volumes may surge dramatically within short periods, the Company designed and implemented a highly automated intelligent warehouse solution. The facility integrates multi-level bin robots, flexible workstations, and electronic label sorting walls, significantly enhancing operational efficiency. The core picking zone requires only four personnel to operate, while supporting peak outbound volumes of nearly 10,000 orders per day, thereby ensuring efficient, scalable, and cost-effective fulfillment under high-demand scenarios.

End-to-End Coordination of Forward and Reverse Logistics

The apparel and footwear industry represents a substantial market segment. Driven by the rapid proliferation of e-commerce livestreaming and other emerging retail formats, the sector increasingly faces operational challenges, including rapid SKU proliferation, pronounced seasonality, elevated return rates, and highly fragmented omni-channel order flows. Traditional warehousing models, which rely heavily on manual sorting, are constrained by limited daily processing capacity and relatively high mis-shipment rates, while labor costs rise significantly during peak seasons – collectively undermining enterprises' competitiveness in an increasingly dynamic market.

To address these structural pain points, the Company implemented a three-pronged innovation framework comprising the deployment of advanced automation equipment, the application of RFID-based traceability and light-directed sorting technologies, and the development of an "intelligent unified inventory" collaborative platform. This integrated solution not only reduced labor requirements by 60% but also lowered mis-delivery rates by 98% and decreased slow-moving inventory by 35%. Through the coordinated application of RFID and robotic technologies, the Company enabled the apparel and footwear supply chain to achieve "zero mismatch, accelerated inventory turnover, and lean operations," thereby supporting industry-wide operational upgrading and sustainable value creation.



Technology Ethics

The Company places high importance on the compliance, security, and sustainability of AI technology applications. It comprehensively integrates the principles of responsible AI into its technology R&D, business operations, and value-creation processes. While pursuing technological innovation and efficiency gains, the Company positions data security, privacy protection, and technology ethics at the core of its technology innovation management. As the sophistication of its self-developed technologies advances, SF has concurrently strengthened its compliance management framework for the development and application of large models, ensuring that technological progress consistently adheres to principles of scientific rigor, rationality, and respect.

To strictly adhere to the requirements of laws, regulations, and technology ethics norms – including the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Interim Measures for the Review of Technology Ethics*, and the *Ethical Norms for New-Generation Artificial Intelligence* – and to effectively manage compliance risks associated with the large-scale application of emerging technologies such as algorithms, AI, and large models, the Company has formulated two regulatory documents: the *Measures for the Safety Management of Application Recommendation Algorithms* and the *AI Safety and Compliance Management Standards*. These documents define the safety and compliance baselines that product development and research operations must adhere to during algorithm design and the application of AI and large models, fostering the synergistic development of technological innovation and compliance management. In 2025, the Company did not experience any incidents that violated technology ethics principles.

Technology Ethics Governance Structure

In 2025, the Company established a Big Data and Algorithm Sub-committee as a dedicated body for algorithm security governance. Chaired by senior leadership, this sub-committee is responsible for analyzing, judging, and making decisions on major algorithm security risks, and coordinating top-level resource support. A Secretariat Working Group operates under it to coordinate daily algorithm security management. Its membership encompasses all core departments involved in AI technology R&D and application, ensuring cross-functional collaboration and efficient operation.

Technology Ethics Commitment

The Company commits to strictly adhering to the following principles in technology development and application:

Principle One
Data Privacy Protection

Adopt data minimization, de-identification, anonymization, and encryption to safeguard user privacy.

Principle Two
System Security Assurance

Conduct regular network security vulnerability assessments and red team-blue team drills to identify and address vulnerabilities in a timely manner, ensuring lifecycle integrity and stability.

Principle Three
Bias Mitigation

Strictly manage data selection, algorithm design, and model optimization processes, identifying and mitigating bias risks through systematic evaluation and testing to ensure fairness and transparency.

Principle Four
Content Traceability

Develop and implement trusted content traceability and verification methods (such as watermarking) to help users identify AI-generated content, enhancing trust and traceability.

Responsible Artificial Intelligence

The Company places strong emphasis on AI compliance governance, having established a governance system that covers the entire lifecycle of algorithm R&D, data flow, and scenario application. By putting in place mechanisms for algorithm filing, content identification, and security safeguards, it systematically ensures the fairness, traceability, and security of AI applications. This reinforces the compliance baseline for technology for good and honors its commitment to responsible AI governance.

Access Assessment

The Company has established a pre-security access procedure for the procurement or introduction of AI-related technologies and datasets. It developed the *AI Procurement/ Introduction Capability Assessment Form* to conduct systematic security assessments and compliance reviews across dimensions such as technology source, data compliance, algorithmic bias, and privacy protection, ensuring that risks at the introduction stage are manageable.

Filing Review

The Company has put in place a compliance assessment process for project application filings. It conducts compliance reviews for proposed AI projects, including algorithm transparency and the legality of data usage, to ensure projects proceed on a foundation of technical feasibility and ethical compliance.

Hierarchical and Categorical Control

The Company has put in place a control system covering the entire lifecycle of AI models and applications. This system applies hierarchical, categorical, and label-based management to AI models and applications. Risk levels are assigned based on factors such as application scenario, data sensitivity, and scope of impact, enabling differentiated control measures.

AI Security and Compliance Training

The Company shares AI regulatory updates and security and compliance requirements to all employees through various channels, including course development, online sharing sessions, live broadcasts, and internal communications. It also provides specialized training for AI product development and research teams to enhance their AI security compliance awareness and capabilities.

Strengthening Access Control for Sensitive AI Functions

The Company has established a four-tier coordinated mechanism covering permission control, real-time monitoring, data protection, and organizational responsibility. This mechanism sets clear security boundaries for sensitive AI functions such as facial recognition and surveillance technologies, enabling the systematic management of various application risks.

Permission Control

Applies the principle of least privilege to sensitive AI functions, enabling access control via dynamic permission configuration to prevent unauthorized access.

Real-time Monitoring

Implements an end-to-end real-time audit mechanism to conduct real-time security detection and block non-compliant activity in AI interactions. It has also established a full-process operational log repository. Through periodic audits that analyze anomalous patterns (e.g., high-frequency abnormal calls), this system ensures the traceability of operational behaviors and enables risk early warning.

Data Protection

During the training data collection phase, harmful or illegal content is strictly filtered, and personal information is processed using de-identification and anonymization techniques. Performs model safety alignment via Reinforcement Learning from Human Feedback (RLHF), endowing AI with the intrinsic capability to reject non-compliant instructions.

Organizational Responsibility

Defines a clear system of accountable persons for safety management, alongside dedicated emergency response plans that are regularly exercised. Forms a closed-loop mechanism of “Technical Detection – Manual Handling – Process Review” to enable a response to security incidents within minutes.

Standardizing the Identification of AI-Generated Content and Decisions

The Company has established a full-process control mechanism of “Pre-Notification → In-Process Marking → Post-Optimization.” This mechanism clearly identifies AI-generated content and AI-driven decision results, reinforcing the foundation of trust in human-machine collaboration and effectively protecting users’ right to know.

Pre-Notification

At the initial stage of user interaction, the service is explicitly communicated as AI-driven, ensuring users have a clear understanding of the service nature.

In-Process Marking

Clear and distinguishable labels are uniformly applied to AI-generated text, decision results, and image content.

Post-Optimization

Continuously collects user feedback to dynamically optimize the presentation of these labels, ensuring users can accurately identify AI services and that their right to know is fully safeguarded.

Establishing a Model Performance Monitoring and Correction Mechanism

To address issues such as performance degradation and drift that may arise during AI model operation, the Company has established a full-process management mechanism of “Proactive Monitoring → Precise Diagnosis → Tiered Intervention → Knowledge Loop.” This ensures the long-term stable and reliable operation of AI systems.

Proactive Monitoring

The Company has established a multi-dimensional metric tracking and real-time monitoring system. By setting KPI thresholds, this system automatically detects abnormal fluctuations and triggers alerts, enabling the continuous tracking and timely intervention of model performance.

Precise Diagnosis

The Company initiates a combined data and model diagnostic procedure. Through data distribution analysis and A/B testing, it accurately pinpoints the root causes of performance degradation, providing a basis for corrective measures.

Tiered Intervention

Based on diagnostic results, the Company implements tiered responses. For minor performance fluctuations, it performs rapid parameter calibration. New model versions are first trialed on a small scale; if performance is unsatisfactory, the Company immediately reverts to the stable version to ensure service continuity.

Knowledge Loop

The Company documents the processed data, diagnostic processes, corrective measures, and final outcomes, then feeds this information back into model training and evaluation. This constructs a self-reinforcing loop of “Monitor – Intervene – Learn,” continuously enhancing the reliability of AI services.

Algorithm Fairness Governance and Bias Prevention Framework

The Company has established a bias prevention system that spans the entire lifecycle of data governance, model training, and application deployment. Through the coordinated interplay of data governance, algorithmic safeguards, and continuous monitoring, this system systematically mitigates discrimination risks in artificial intelligence applications, ensuring the social fairness of its technological services.

Data Source Governance	• Multi-dimensional Fairness Verification: The Company implements multi-dimensional fairness verification during the data collection and annotation stage, requiring that training data covers diverse user groups across different regions, ages, occupations, and other dimensions. • Cross-Verification Mechanism: The Company introduces cross-verification into the annotation process, with expert arbitration conducted on data exhibiting significant judgment discrepancies.
Algorithm Fairness Embedding	• Training Stage: The Company incorporates regularization terms into the model loss function. For example, it employs adversarial learning techniques to constrain the model from relying on sensitive attributes during prediction, thereby severing pathways to discrimination at the algorithmic level. • Evaluation Stage: The Company has established a security assessment and audit mechanism for large language model technology applications. It conducts security and compliance risk assessments tailored to specific application scenarios, identifying risks related to data compliance, content safety, bias and discrimination, and the impact of automated decision-making. The Company continuously monitors model inputs and outputs, as well as user interactions, and performs regular security audits.
Ongoing Monitoring after Deployment	• Green Channel for User Bias Complaints: The Company maintains a dedicated channel to collect potential discrimination cases. • Targeted Retraining: Leveraging user feedback and business data, the Company conducts targeted retraining, enabling iterative improvements in fairness through data augmentation or algorithmic adjustments.

Reducing the Ecological Footprint Across the AI Lifecycle

Guided by the principles of green and low-carbon development, the Company collaborates with suppliers to advance carbon and energy reduction initiatives across multiple dimensions – hardware, algorithms, and energy usage. This effort reduces the ecological footprint of data centers and AI model operations, creating a win-win scenario for both technological innovation and environmental protection.

The Company is advancing the deployment of off-site disaster recovery centers and its big data services, with the goal of establishing a data center that represents the pinnacle of the Group's technological advancement and green credentials.

Algorithm Efficiency Innovation	The Company utilizes time-sharing scheduling technology to stagger multiple training tasks, achieving efficient sharing of computing resources. Concurrently, it employs mixed-precision training to reduce redundant calculations, optimize the balance between time and accuracy, and lower both training duration and overall energy consumption.
Application of Advanced Refrigeration Technology	Through the comprehensive application of advanced cooling technologies, the Company has reduced the Power Usage Effectiveness (PUE) of its data centers to as low as 1.14. Key measures include: • Magnetic Levitation Variable-Frequency Compressors: These compressors achieve oil-free operation via magnetic levitation, eliminating mechanical friction losses and significantly reducing energy consumption. • Powered Heat Pipe Technology (Fluoride Pump Free Cooling): When ambient temperatures fall below 14°C, the system automatically switches to "free cooling" mode, completely replacing compressor-based refrigeration. This enables the use of natural cooling sources for nearly half the year, substantially cutting electricity consumption. • Evaporative Condensation Technology: This technology lowers condensation temperature through spray evaporation, enhancing heat dissipation efficiency. It is particularly effective in high-temperature southern environments, reducing equipment peak power demand.
Green Energy and Recycling	• On the power supply side, the Company leverages hydro, wind, and photovoltaic resources to promote the integration of green electricity. On the demand side, it promotes waste heat recovery and utilization, using part of the recovered heat for winter heating or domestic hot water supply in office areas, thereby achieving cascading energy utilization. • The Company has achieved 100% green electricity coverage for its data centers through the procurement of Green Power Certificates totaling 1 MWh.
Green Retrofits for Buildings and Infrastructure	• The Company repurposes existing warehouse structures into data centers, enabling intensive construction and reducing the energy footprint associated with civil engineering. • The Company deploys rooftop photovoltaic systems within its campuses, operating on a "self-generation and self-consumption" model to power office areas. These are complemented by intelligent energy-saving measures such as rainwater harvesting and motion-sensor lighting, fostering a green and low-carbon park ecosystem.

Establishing a Full-Process Appeal Mechanism

The Company has established a full-process appeal management mechanism covering "Appeal Submission, Investigation and Handling, Result Feedback, and System Improvement." This mechanism safeguards the rights of users and affected third parties to challenge AI-driven decisions or outcomes, ensuring that such challenges are handled and feedback is provided in a timely and impartial manner.

Appeal Submission

Provides a prominent appeal entry point on all AI application interfaces (e.g., within intelligent customer service chat windows) along with alternative channels such as phone and email, ensuring unimpeded access for users to raise objections. Records all appeal information in full to facilitate subsequent traceability.

Investigation and Handling

Performs an automatic review to quickly rectify simple errors. Escalates more complex issues to a dedicated team of human experts for in-depth investigation. This tiered approach ensures both processing efficiency and accuracy.

Result Feedback and System Improvement

Provides a clear resolution within stipulated timeframes. Systematically archives appeal cases and uses the insights to drive model retraining and rule optimization, reducing the recurrence of similar disputes at their source.

Impact of AI Tools on Sustainable Development

With artificial intelligence as its core driver, the Company accelerates green and low-carbon transformation, comprehensively empowering sustainable development. In carbon management, the Company has built a standardized carbon management system for the precise measurement and scientific management of carbon emissions. For operational optimization, it utilizes intelligent route planning algorithms to optimize transportation paths and smart loading technology to improve loading efficiency, effectively reducing transportation energy consumption and packaging material usage. In digital office initiatives, the Company has fully promoted intelligent applications such as electronic delivery receipts and paperless reimbursement, significantly reducing paper consumption and driving the greening of business processes. (For more details, please refer to the chapter "Environment – Leading the Low-Carbon Transition" in this report.)

Industry-Academia-Research Collaboration

Guided by the principle of openness and mutual benefit, the Company closely collaborates with partners such as research institutes and universities to jointly advance the innovative application of cutting-edge technologies, including large models, digital twins, blockchain, and operations research optimization, within the logistics sector. This injects new momentum into the transformation and upgrading of China's logistics industry, opening a new chapter in intelligent logistics.

Currently, the Company has developed mature industry-education integration solutions across multiple domains, including unmanned logistics, supply chain optimization, supply chain execution, smart warehousing laboratories, and live-streaming e-commerce supply chains, providing sustained impetus for the industry's innovative development.



Innovation Through Industry-Academia-Research Cooperation

Promoting Industrial Upgrading

During the 5th "Chuangπ – 2025 Summit on the Integration and Innovation of Industry, Academia, and Research in Intelligent logistics" held in 2025, SF Technology, the SF Innovation Center, and the School of Management at Zhejiang University jointly established the "*Joint Innovation Laboratory for Digital and Intelligent Logistics*." This laboratory leverages the School of Management's research expertise in cutting-edge fields such as digital supply chains and intelligent logistics, integrating it with SF's extensive industry scenarios and practical experience. Focusing on real-world challenges faced by enterprises, it brings together interdisciplinary strengths in management, computer science, manufacturing, and more to tackle leading-edge industry problems, promote industrial transformation and upgrading, serve national strategic needs, and provide continuous momentum for the high-quality development of the real economy.

Government-Industry-Academia-Research Cooperative Projects

In 2025, SF Technology, in collaboration with Shanghai Jiao Tong University and Peking University Shenzhen Graduate School, jointly applied for the special project "Embodied Intelligence and Edge Intelligence" under the "*2025 Key Industry R&D Plan (First Batch)*" issued by the Shenzhen Science, Technology and Innovation Commission. By researching and developing a new generation of lightweight AI models and a multi-agent collaborative scheduling system, this project aims to establish replicable demonstration practices in unmanned delivery, providing core support for the Company to build technological advantages and solidify its leadership position in the fields of intelligent logistics and intelligent connected systems.

Concurrently, SF Technology continues to conduct research projects on large models and intelligent agents with the Shenzhen International Graduate School of Tsinghua University. It also collaborates with domestic and international universities (e.g., Dalian University of Technology, the University of Cambridge, Eindhoven University of Technology, and Delft University of Technology) on research topics such as operations scheduling, promoting the industrialization and practical application of AI research outcomes.

Post-Doctoral Research Workstation

Since its establishment in 2022, the SF Technology Post-Doctoral Research Workstation has actively recruited high-caliber talent, advancing deep industry-academia-research integration. The workstation has established joint training mechanisms with leading institutions such as Zhejiang University and the Shenzhen International Graduate School of Tsinghua University, accelerating the integrated progress of industry, academia, and research in areas like large models, digital twins, operations research optimization, and supply chain optimization. In 2025, the workstation hosted three post-doctoral researchers, who are dedicated to researching key core technologies in logistics, continuously enhancing the Company's technological capabilities and core competitiveness.

Empowering Global Expansion

In 2025, the Company captured opportunities arising from Chinese enterprises' product and capacity globalization, and delivered end-to-end international supply chain solutions across multiple industries in 2025. It successfully launched specialized products such as China-Vietnam Smart Express, China-India Air Express, YiChain Connect, the Asia supply chain warehouse network and overseas freight services, achieving breakthrough business growth.

The Company is committed to transitioning from traditional transportation services to deep supply chain collaboration, focusing on key industries and delivering customized supply chain solutions tailored to customers' scenario-based needs. In 2025, cross-border supply chain projects were successfully implemented across consumer electronics, smart home appliances, new energy, industrial manufacturing, automotive, coffee and tea beverages, and apparel sectors. Services covered the entire chain from domestic consolidation of raw materials and components, export customs declaration, multimodal transportation, import clearance, to overseas local distribution. At the same time, the Company through technology empowerment established a cross-border end-to-end visibility platform, deployed unified global warehouse management systems and upgraded automated warehousing facilities, delivering efficient, responsive and intelligent supply chain solutions to customers.

High-Tech Industry

Leveraging its deep penetration across supply chain scenarios, the Company's annual logistics revenue from a patio robotics customer exceeded RMB10 million. Logistics revenue from a 3D printer customer increased six-fold year-on-year, with services expanded to integrated warehousing and distribution operations in South China and Mönchengladbach, Germany. In response to capacity relocation trends, the Company launched the "China-Vietnam Smart Express" cross-border solution, providing leading ODM customers with fully visualized, end-to-end China-Vietnam supply chain services. This enabled 100% visibility across cross-border processes, reduced communication costs at disruption points by 50%, and improved port congestion resolution rates to 92%. Meanwhile, the Company developed a "Vietnam-Ezhou-Europe/United States" end-to-end air freight solution for finished goods for top-tier consumer electronics brands, facilitating the export of high-end Asia-Pacific consumer electronics to Western markets.

Automotive Industry

The Company established a comprehensive logistics system for a leading traditional automaker, covering full domestic scenarios and localized overseas operations. Domestically, services span inbound logistics, finished vehicle logistics and after-sales logistics. Overseas, the Company successfully implemented a nationwide after-sales spare-parts warehousing and distribution project in the Philippines.

Taking into account the country's archipelagic geography, the Company designed an intelligent distribution network comprising "one central warehouse plus nine forward distribution nodes," integrating local customs clearance, intelligent warehousing and multimodal transportation resources. This enabled same-day or next-day delivery on the main islands and delivery to outer islands in as fast as three hours, improving delivery timeliness by 35% and significantly reducing customer repair waiting times, while setting a benchmark for localized overseas logistics services.

Industrial Equipment Industry

For a raw-materials customer relocating manufacturing capacity to Cambodia, the Company delivered a one-stop solution for their large-scale equipment transport and raw material exports, as well as the global distribution of their Cambodian finished products. Domestically, the Company designed factory packing solutions for large equipment, and completed port consolidation, customs declaration and export. For cross-border execution, the Company facilitated bonded transfer through Ho Chi Minh port area in Vietnam and provided professional customs clearance and trucking services, ensuring the smooth entry of goods into Cambodia, directly supporting the successful relocation of the customer's factory. The project demonstrated the Company's prominent Southeast Asia cross-border integration and end-to-end fulfillment capabilities.

Consumer Goods Industry

In support of brands' overseas expansion, the Company leverages its global warehousing and distribution network and international line-haul transportation capabilities to deliver end-to-end cross-border logistics solutions. The Company provides integrated warehousing and distribution services for a leading domestic sports brand in Vietnam, Singapore and the Philippines, while also handling international sea freight from Europe and the United States to bonded warehouses in Singapore and international air freight from Vietnam to the United States. For another leading sports brand, the Company delivers Chinato-Singapore overseas warehouse fulfillment services, enabling a unified online-offline integrated packaged solutions through integrated B2B/B2C warehouses. By supporting both forward and reverse logistics across multiple scenarios, the Company provides a solid logistics foundation for brands' overseas market exploration.



Asia-Pacific Bulk Product Launch in Bangkok, Thailand

While achieving breakthroughs across multiple industry scenarios in its international supply chain business, the Company has also witnessed steady improvements in service quality and customer stickiness in its international express and cross-border e-commerce logistics businesses, with revenue growing rapidly. The Company deepened its industry cluster strategy by establishing specialized services in 15 core manufacturing clusters, including Shenzhen, Hangzhou and Yiwu, serving enterprises' global expansion. Beyond logistics solutions, the Company supported merchants through resource integration and operational assistance. In the Suzhou wedding apparel cluster, business volume grew by more than 200%. Strategic collaboration with leading global and domestic e-commerce platforms was further strengthened, providing compliant, stable and high-quality routes with customized high time-definite end-to-end solutions. While maintaining stability in U.S.-bound routes, the Company actively supported expansion into Europe and emerging markets. In 2025, revenue from Europe and Japan dedicated lines increased significantly, becoming an important growth driver.

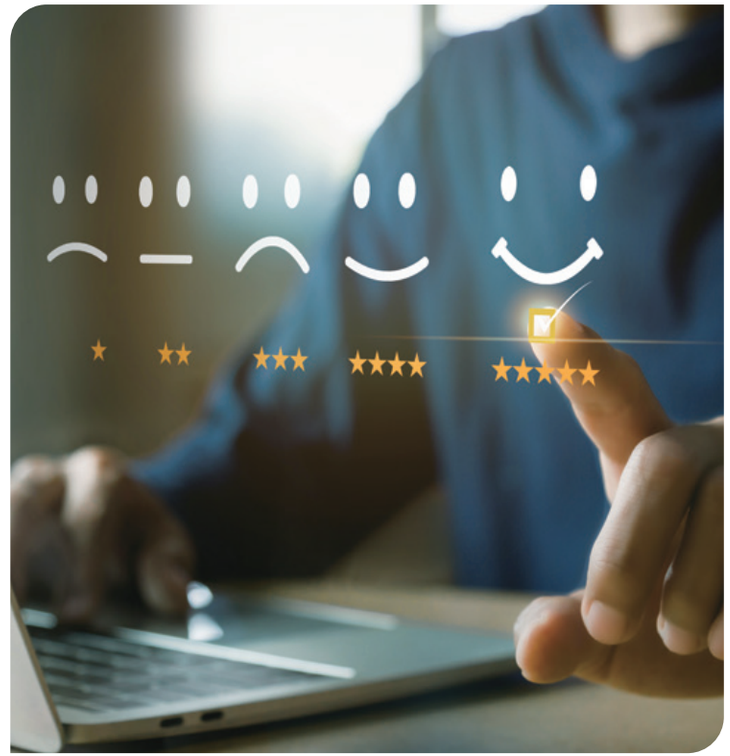
Aligned with the Belt and Road Initiative and the "Express Delivery Going Global" strategy, the Company will continue to advance the vision of "seamless global logistics," driving the development of an interconnected, innovative, inclusive, smart, and green international supply chain system. Through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

Providing Premium Services

The Company has consistently adhered to a “customer-centered” philosophy, striving to deliver service offerings that are not only of compelling value but also exceed expectations. From express delivery products to comprehensive logistics services and be-spoke industry-specific supply chain solutions, the Company remains deeply committed to honoring the trust placed in SF by every customer, providing services that are both reliable and value-enhancing. Empowered by technology, the Company continuously optimizes and upgrades its service and product portfolio, having built a comprehensive, multi-dimensional service matrix covering timeliness, weight, shipping frequency, transportation distance, application scenarios, and geographic locations. This matrix not only meets diverse needs through precise on-time delivery commitments but also enables continuous service quality improvement through its digital and intelligence capabilities. The Company’s business has deeply penetrated sectors such as industrial manufacturing, commercial distribution, agricultural product distribution, food and pharmaceutical cold chain, international trade, and local life services. Its services comprehensively cover all aspects of social production and people’s livelihood security, continuously solidifying its brand image of being “fast”, “reliable”, and “premium service”.

SF’s commitment to excellence has led to unparalleled brand value. The Company has built a loyal and highly engaged customer base across various industries, becoming the go-to logistics partner for many top-tier customers. This dedication to premium service has earned SF wide recognition from customers, industry peers and the public alike.

In the ranking released by the State Post Bureau, SF has been ranked **first** in public satisfaction with express delivery services for **16** consecutive years (2009-2024) and the first three quarters in 2025



Delivering Premium Logistics Services

The Company consistently provides high-quality logistics services, safeguarding every parcel with both exceptional speed and thoughtful care.

Timeliness Excellence and Delivery Fulfillment

The Company consistently treats precise on-time delivery commitments as its core competitive strength. It has spearheaded the reshaping of service standards within China’s time-sensitive express delivery industry, setting a benchmark for standardized services in the sector. To ensure efficient fulfillment, the Company continuously refines its pickup service system, providing high-frequency pickup guarantees. Couriers can arrive at the pickup address within one hour of an order being placed. In China, SF has become the household name and synonym for high-timeliness express delivery service. “Let me SF this to you” has been equivalent with “express delivery to you”. Simultaneously, many corporate clients and e-commerce platforms choose SF free shipping, using it as a key channel to signal their own service quality and brand image. This practice further reinforces consumers’ perception and trust that products from these platforms and merchants come with high-quality assurance, thereby fostering better sales growth.

In response to these evolving consumption patterns and upgraded market demands, the Company has focused on “enhancing product competitiveness” and “deepening channel penetration across diversified scenarios” as its core strategic directions. Through service enhancement, channel expansion, scenario-based solutions and hub empowerment initiatives, the Company has further consolidated its industry-leading position in time-definite services, delivering superior shipping experiences and supporting high-quality business growth.

In December 2025, the Company launched its “Peace-of-Mind Delivery • On-Time Guarantee” service, initially covering its SF speedy express products. Customers placing orders through official channels are eligible for cash or voucher compensation in the event of delays attributable to the Company. The service was first rolled out in 10 cities, including Dalian, Shenzhen and Qingdao, covering more than 100 two-way delivery routes, and will be gradually expanded to all routes nationwide.

The successful implementation of the “Peace-of-Mind Delivery • On-Time Guarantee” service is underpinned by the Company’s years of sustained investment and accumulation in core areas such as infrastructure development, technology R&D, and refined operations management. It demonstrates firm confidence in its own operational capabilities and is a direct embodiment of the “customer-centered” philosophy. The Company will continue to explore more effective initiatives and innovative pathways within industry service standards, promoting a sound transformation towards superior “service quality” among express logistics enterprises, ensuring that every parcel entrusted to them is handled with greater peace of mind.

Warmth in Every Delivery

From daily fulfillment to safeguarding deliveries during festive seasons, from supporting practitioners in increasing their income to meeting consumer expectations, SF consistently delivers warm, attentive logistics services that span all scenarios and needs. Whether ensuring convenient delivery during holidays or providing specialized services focused on people's livelihood and boosting farmers' incomes, the Company employs tailored solutions to address pain points in the distribution chain, conveying the warmth of its service through professionalism and dedication.



Preserving the Aroma of Pu'an Tea: Streamlining the Freshness Supply Chain

Pu'an spring tea from Guizhou is renowned for its characteristics of being "Ancient, Early-Harvest, Pure, and Fragrant." However, its remote mountainous location once presented challenges of limited market access and difficulty in preserving freshness. The Company precisely addressed these distribution hurdles, establishing an efficient freshness-critical supply chain from the tea gardens to the teacup.

The Company set up over 300 collection points in core areas, supported by mobile collection vehicles, ensuring that processed tea leaves are dispatched within two hours. By launching 25 direct delivery routes and deploying two dedicated cargo aircraft, it established a intelligent logistics network capable of achieving delivery times as fast as 7 hours to other provinces and coverage of major cities nationwide within 24 hours. For quality control, the Company implemented the "Fengsu" blockchain traceability system alongside temperature and humidity sensors throughout the journey, guaranteeing constant-temperature storage and transportation. Furthermore, through the co-development of eco-friendly freshness-preservation packaging, participation in brand co-building, and channel empowerment initiatives, it effectively assisted the spring tea in expanding into domestic and international markets and enhancing its value.



Deepening Logistics Empowerment: Boosting Incomes for Blueberry Growers

Given the tender, fragile nature and stringent freshness requirements of Yunnan blueberries, the Company built a comprehensive logistics system centered on technological innovation and customized services. This system safeguards the berries' fresh, succulent quality and helps growers increase their income.

The Company adopted an end-to-end temperature-control solution of "Pre-cooling at Origin + Refrigerated Trucks + Insulated Packaging." It introduced an "Intelligent Monitoring System" to track vehicle location, temperature, and humidity data in real time, with automatic alerts for any anomalies. This ensures fully controllable transportation and direct delivery of freshness during the blueberry peak season. For after-sales support, the Company established a dedicated blueberry customer service hotline, committing to a 2-hour response and 24-hour resolution timeframe. It also implemented a full-process temperature-control and anomaly early-warning mechanism to ensure every single blueberry is delivered with peace of mind.

Beyond providing logistics services, SF has constructed an "Integrated Production, Supply, and Marketing" supply chain solution by leveraging its four central platforms: Business Synergy, Channel Expansion, Marketing Empowerment, and Logistics Assurance. As a logistics enterprise deeply invested in blueberry delivery, the Company has witnessed and contributed to the journey of Yunnan blueberries from a regional specialty to a national and global brand. Growing alongside the Yunnan blueberry industry, it has built an intelligent, full-link logistics service system spanning the "Origin – Transit – Consumption" spectrum.



Elder-Friendly Services

To effectively address the inconveniences faced by seniors during the parcel-sending process, the Company has systematically introduced a range of convenient, senior-friendly shipping services. These initiatives are designed around the specific needs of this demographic in terms of vision, usage habits, and cognitive abilities, aiming to help seniors use express delivery services easily and with peace of mind.

Large-Character Service

Provide a visual interaction interface with large fonts, high contrast, and simplified functions globally, making it easier for seniors to read and interact.

Family Account Service

Support service linkages such as placing orders on behalf, making payments on behalf, and picking up parcels on behalf among family members.

Quick Ordering Service

Integrate multiple interaction methods such as AI voice recognition, address pasting, and voice calls to offer seniors a convenient and accessible order-placing process.

Express Tracking Service

Optimize the interface of the logistics information query function, enabling seniors to easily track the status of their shipments.

Outlet Query Service

Clearly display outlet addresses, business hours, and navigation information, enabling seamless connection between seniors' online queries and offline services.

Barrier-Free Express Delivery Service

To practice the concept of "Technology for Good, Service Without Boundaries," the SF official website is fully accessible, providing features such as high contrast, font scaling, screen reader compatibility, and keyboard navigation to enable special groups including the visually impaired, hearing-impaired, and seniors to access service information equally and conveniently, making express delivery services truly barrier-free.



Barrier-Free Browsing Interface of the SF Official Website

Improving Customer Experience

The Company systematically integrates the concept of “customer-centered” into the entire service operation process, taking customer satisfaction as the core goal of quality management and continuously driving the upgrade of service standards and concepts. This is achieved through systematic demand insight guided by customer journey maps, closed-loop management, and full-link operational collaboration.

Customer Service Goals and Performance

	2025 Goal	2025 Performance	2026 Goal
Customer Service	Customer complaint dissatisfaction rate below 4%	Customer complaint dissatisfaction rate: 3.2%	Customer complaint dissatisfaction rate below 3.2%

In 2025, the Company continued to deepen its strategic commitment to “customer-centered” through three core initiatives: service model innovation, deep AI technology enablement, and time-definite product upgrades, driving optimization and innovation across the entire service process. These efforts aim to achieve the following specific objectives: continuously improving customer satisfaction, strengthening customer trust, and ultimately delivering long-term value through shared growth with customers.

Service Model Innovation

Focusing on the “Dedicated Account Manager + Enterprise WeChat One-Stop Service” model, the Company assigns dedicated online account managers to high-value clients. By leveraging the Enterprise WeChat platform, it integrates service resources such as demand response, issue resolution, and resource coordination to achieve efficient handoffs throughout the service process and enhance the consistency of customer experience.

Deep AI Technology Enablement

Deepening the application of AI in its customer service system, the Company leverages industry-leading technologies such as intelligent speech recognition, natural language processing, and large language models, delivering advantages in accuracy, automation, and coverage. This effectively enhances service efficiency and sustainable operational capabilities.

Time-Definite Product Upgrades

To address market demand for high-timeliness and high-reliability express services, the Company has implemented measures including one-click customer service across all touchpoints, 24/7 manned service, and proactive exception management. This delivers a worry-free premium delivery experience characterized by speed, reliability, and warmth.

Customer Communication Channels

To systematically address customers’ demand for efficient and convenient communication, the Company has built an intelligent omni-channel service system covering voice, online, self-service, and instant messaging channels. Through the deep integration of AI technology, it enhances service responsiveness and problem-solving capabilities while striving to ensure a consistent experience and uniform service standards across all channels. It continuously monitors and optimizes customer satisfaction and channel efficiency as key performance indicators.

SF Customer Communication Channels

Intelligent Voice Service Channel — Official Service Hotline: 95338

Function: AI voice navigation handles high-frequency requests such as placing and tracking orders. It intelligently recognizes customer intent and supports seamless transfer to a live agent, balancing service efficiency with personalized support.

Online Intelligent Customer Service Platform — Access the “Online Customer Service” Portal via the SF Website, App, or WeChat Mini Program

Function: AI-powered intelligent customer service accurately identifies scenarios like inquiries, complaints, and claims, providing real-time solutions or guiding self-service operations. It supports one-click transfer to a live agent, creating an efficient service closed loop.

Online Self-service Feedback Channel — Access the “Feedback” Portal via the SF Website, App, or WeChat Mini Program

Function: It intelligently guides customers to independently submit issues and suggestions. The AI then analyzes and categorizes this feedback in real time, helping the Company swiftly identify service bottlenecks and drive experience optimization.

Instant Messaging Collaboration Channel — SF Official Enterprise WeChat (Customer Service or Courier)

Function: It enables point-to-point instant communication. Integrated with an AI assistant for real-time Q&A support, it enhances the continuity and responsiveness of the shipping service process.

[23] The customer complaint dissatisfaction rate is calculated based on customers’ satisfaction ratings regarding the resolution of their complaints, specifically as the number of dissatisfied customers divided by the total number of complaints.

Customer Complaint Management

The Company has formulated management systems including the *Measures for Accepting Customer Complaint*, the *Complaint Handling Process*, the *Claims Management Measures*, and the *Complaint Handling Escalation Mechanism*, establishing standards for each stage of complaint handling to ensure timely response and standardized resolution. Simultaneously, the Company has built an emergency response capability system. Through the classified and tiered management of complaint incidents, it efficiently handles emergencies, comprehensively improving complaint response efficiency. In 2025, focusing on refining upgrade of service management, the Company revised the *Customer Service Operation Management Mechanism*. Incorporating the practical experience of integrated modular one-stop service from the year, it established cross-scenario collaboration pathways. It added tiered response strategies for peak periods, built a flexible safeguard mechanism, and promoted the evolution of operational management from "siloed coordination" to an "integrated whole," and from "uniform response" to "tiered refinement." This enhances the level of refined management, ensuring efficient and stable operation.

SF's Customer Complaint Handling Process



The Company has established a standardized customer feedback management mechanism: All customer feedback is recorded in real-time and assigned to dedicated personnel for follow-up, with a commitment to response and confirmation within one hour and closed-loop resolution within 24 hours. Through structured root cause analysis, individual cases are transformed into systemic service improvements, forming a continuous improvement governance loop.

Regarding customer rights protection, the Company's customer service embeds the "customer-centered" philosophy throughout the entire claims service process. To accurately address diverse industry and scenario needs, it has constructed a tiered and targeted claims service system, encompassing models such as direct sales compensation, on-site courier compensation, rapid customer service compensation, and collaborative face-to-face negotiation with insurance companies. Concurrently, by continuously refining systems like the *Claims Management Measures* and the *Industry Claims Strategy* and upgrading supporting system processes, the Company has established closed-loop management from strategy formulation to efficient execution.

Customer Satisfaction Survey

To continuously improve customer experience, the Company has established a systematic customer experience monitoring and feedback closed-loop system. It aims to drive service optimization through ongoing insights, build sustainable customer relationships, and effectively integrate commercial value and social responsibility.

The Company conducts quarterly customer satisfaction and Net Promoter Score (NPS) surveys via online questionnaires, employing random stratified sampling. It continuously monitors the NPS and satisfaction scores of both corporate and individual customers, systematically analyzes the feedback, and translates it into concrete optimization actions for products, processes, and customer relationship management. In 2025, the total sample size for the customer satisfaction survey exceeded 160,000, covering hundreds of cities nationwide. The survey included customer NPS and overall satisfaction, as well as more than 80 specific indicators across 12 dimensions such as delivery timeliness, parcel safety, pickup and delivery services, after-sales service, and system services, enabling a granular assessment of customer experience. According to the survey, the Company's NPS in 2025 was 79.6, maintaining a leading position in the industry.



Promoting Industry Development

The Company adheres to a development philosophy of openness and sharing. Through multidimensional practices such as technological innovation, collaborative standard-setting, and ecosystem synergy, it engages in the transformation of the global logistics system and the process of industrial upgrading and transformation. In international markets, the Company drives efficiency improvements in cross-border logistics with digital and intelligent logistics solutions, not only supporting Chinese enterprises in their global expansion but also fostering the standardized and efficient development of the cross-border logistics industry. In domestic markets, focusing on the core issue of sustainable development, the Company collaborates with industry partners to explore pathways for green supply chain transformation, promoting green and low-carbon development across the sector.

The Company actively responds to the Belt and Road Initiative and participates in the “Express Delivery Going Global” project. Leveraging its end-to-end cross-border supply chain capabilities, it helps Chinese enterprises expand globally and drives cross-border logistics toward standardization and efficiency. Since joining the Universal Postal Union Consultative Committee (UPUCC) in 2024, the Company has actively participated in global postal policy formulation and rule discussions, contributing Chinese practical experience to global logistics governance. Concurrently, as a founding member of the Global Sustainable Transport Innovation Alliance and a co-initiator of the ESG Collaborative Development Alliance of the Chinese Logistics Industry, the Company is working with global partners to advance the green transformation of the logistics industry.

To promote green aviation development, the Company actively joins industry organizations related to sustainable aviation fuel. In July 2025, the Company participated in launching the first international special committee under the Global Sustainable Transport Innovation Alliance – the Sustainable Aviation Fuel Committee. In August of the same year, as one of the first member organizations, it officially joined the China Sustainable Aviation Fuel (SAF) Industry Alliance, collaborating with partners across the entire value chain to explore low-carbon solutions for air logistics.

Driven by both international collaboration and local practice, the Company is leveraging technological innovation as a link and shared responsibility as a foundation, continually unlocking synergistic value for the industry.

Building a New Ecosystem for the Apparel Logistics Supply Chain

As the chair unit of the Apparel Logistics Branch of the China Federation of Logistics and Purchasing, the Company co-hosted the “2025 Annual Conference on Apparel Logistics and Supply Chain” in July 2025. The event brought together nearly 200 related industry enterprises and approximately 1,000 industry representatives, serving as a significant platform for communication, cooperation, and collaborative development.

During the conference, the Company engaged in in-depth discussions with senior executives of participating brand enterprises and industry experts on trends in the apparel and footwear industry through corporate exhibition booths, keynote speeches, presentations at technology sub-forums, and roundtable interactions, comprehensively showcasing its supply chain service capabilities for the sector. At the meeting, the Company officially released five directions for supply chain upgrades in the apparel and footwear industry: warehousing and distribution services, store-delivery services, global expansion services, digital and intelligent services, and green supply chain services, providing systematic solutions for industry transformation.

The apparel and footwear industry is currently undergoing profound transformation, with brand enterprises facing multiple challenges including personalized consumption, supply chain flexibility, internationalization, and green, low-carbon development. As the chair unit, upholding the philosophy of “openness, collaboration, and mutual benefit,” the Company is willing to share the mission and build capabilities with ecosystem partners. It will continue to focus on digital and intelligent solutions, green practices, global footprint expansion, and talent innovation to build an apparel logistics supply chain ecosystem that is “more agile, greener, and more globally competitive,” injecting strong momentum into the high-quality development of China’s apparel industry.



Safeguarding Delivery Security

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on Postal Services*, the *Administrative Measures for the Supervision of Delivery Security in the Postal Industry*, the *Administrative Measures for Real-Name Collection and Delivery of Mails and Express Items*, and the Regulations on the Management of Prohibited Items, continuously improving its delivery security management. The Company's *Administrative Regulations on the "Three Systems" for Delivery Security* establishes the core control principles of "real-name collection and delivery, item inspection upon collection, and machine security screening," comprehensively ensuring the safety of express delivery. In 2025, based on relevant delivery regulations, the Company further refined its management standards for the collection and delivery of battery-containing items and optimized its operating specifications for the delivery of live animals.

Real-Name Authentication Management

The Company continuously advances its real-name authentication process. Through methods such as process integration, system enforcement, and performance monitoring, it fully implements the real-name collection and delivery system, requiring couriers to verify the sender's identity upon collection to ensure delivery safety and user information security. The Company has also introduced a facial recognition system as a supplementary means for identity verification, significantly enhancing the accuracy and efficiency of sender identity authentication and ensuring the safety and compliance of the delivery process.

In 2025

SF's online real-name registration rate reached **99.95%**

Process Integration

Real-name delivery is integrated with the "National Network Identity Authentication Platform" of the Ministry of Public Security, with user information authenticated by this authoritative platform to ensure its authenticity and validity.

Real-name prompts and links are displayed on the WeChat Mini Program and app order pages to guide customers to complete real-name authentication before placing an order.

Real-name information for contracted corporate customers is regularly verified, with prompts to correct any inaccuracies to improve data accuracy.

System Enforcement

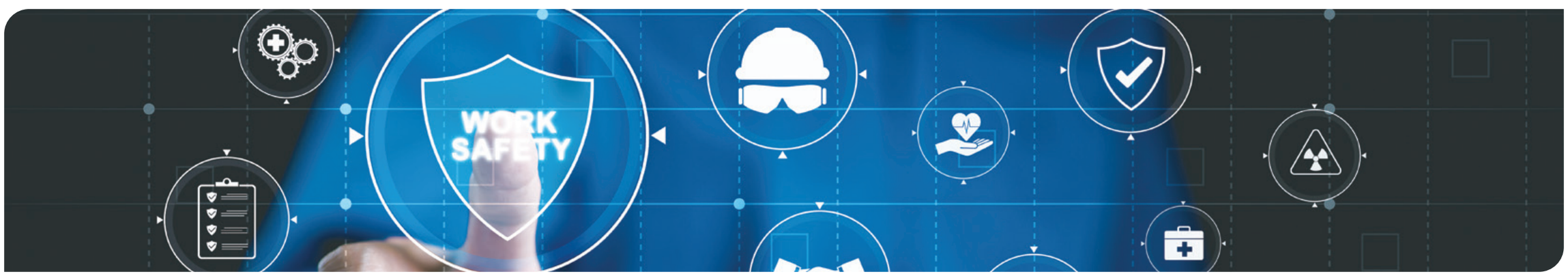
Customer ID cards are automatically identified via OCR/NFC, and an original ID card plus two-factor verification model is used to ensure the validity of real-name authentication.

A "Scan to Authenticate" feature allows users to scan a QR code using WeChat and be automatically directed to the mini program for real-name authentication.

Real-name prompts have been optimized, with reminders added before, during, and after order placement, and users are notified in advance to have valid identification ready.

Performance Monitoring

The causes of real-name anomalies identified by the State Post Bureau are analyzed, with daily reports generated to drive improvements by relevant departments.



Contraband Management

The Company strictly adheres to the *Regulations on the Management of Prohibited Items*, formulates and dynamically updates the *Standards for Common Accepted Items*, ensuring its delivery security management system remains current. It regularly conducts specialized campaigns for delivery security. Through multiple measures including strengthened inspection management, deepened employee training, and optimized incentive mechanisms, the Company effectively prevents prohibited items from entering delivery channels and properly handles any contraband that has entered the channels. This fully maintains the safety and smoothness of delivery channels and creates a safe, stable delivery service environment for the public.

Pickup and Delivery Inspection

- The system is embedded with the Standards for Common Accepted Items to alert and intercept prohibited items during customer order placement and courier pickup.
- Mandatory photo inspection is required for high-risk items, with images uploaded to the system to strengthen collection security controls.

Security Screening Investment

- Increase investment in high-speed security screening equipment has enhanced screening quality.
- A self-developed smart screening platform integrates sorting and security screening, automating parcel processing and enabling remote multi-site analysis and identification of suspected contraband.

Government-Business Collaboration

- Strengthened cooperation with public security authorities enables accurate tracking and interception of parcels linked to suspicious individuals during collection and transit. The Company actively communicates and cooperates in the handling of suspicious items.

Positive Incentives

- The *Administrative Measures for Rewards for Self-Reporting of Prohibited Items* have been implemented to encourage security screening personnel to proactively discover and report suspected prohibited items.

Contraband Screening and Management

The Company actively collaborates with relevant national authorities to jointly combat the illegal transportation of contraband. It conducts comprehensive and stringent safety inspections on every parcel to ensure their security. In 2025, practitioners across various regions proactively reported leads on illicit items, with a total of 212 individuals receiving rewards. That year, the Company intercepted 21,300 prohibited items, marking a decrease for the second consecutive year. This demonstrates the Company's significant achievements in strengthening employees' safety awareness and enhancing public understanding of safe delivery practices.

Safeguarding the Boao Forum for Asia: Fortifying Delivery Security

During the 2025 Boao Forum for Asia Annual Conference, the Company fully leveraged its professional security screening capabilities and intelligent equipment advantages, successfully completing the delivery security assurance mission for the conference. Following strict review, the Boao Transfer Station was designated as the official centralized security screening site, becoming the core node for centralized screening of express deliveries from across the entire industry.

The site achieved efficient operation based on the following core advantages:

Advanced Facilities	Ample Space	Professional Team	Efficient Operation	Process Control
Newly deployed security screening equipment meeting high standards ensured detection accuracy and efficiency;	A 17,000-square-meter operational area enabled closed-loop management of an independent security screening zone;	A team of 91 employees and certified security screeners provided end-to-end support, ensuring standardized operations;	Equipped with intelligent security screening machines, the site screened all parcels within three hours;	A three-phase centralized screening process was strictly implemented to ensure absolute delivery security.

This initiative fully demonstrated the Company's professional competence and industry commitment in securing major events. By strengthening its defenses with technology, it provided an efficient and reliable logistics security solution for this international gathering, further solidifying its benchmark position in industry security services.

Prohibited Items Identification Training

Through diverse formats combining online and offline training, self-training, and briefings during morning meetings, the Company regularly conducts specialized training on prohibited items identification for frontline employees. This continuously enhances the entire staff's professional capabilities in identification and handling, comprehensively strengthens safety awareness and practical skills, and builds a solid safeguard for delivery security.

In 2025

the coverage rate for specialized delivery security training among pickup and delivery personnel reached **100**%

with a **100**% pass rate for delivery security training



Appendix

About This Report

This is the seventh 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 Titles

For the convenience of expression and reading, “SF”, “SF”, “the Company”, “we”, and “the group” in this report refer to “SF Co., Ltd.”.

Time Scope

This report covers the period from January 1, 2025, to December 31, 2025.

Reporting Scope

The reporting scope of general disclosure, management of substantive issues, and key social 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 key environmental 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:

- *Appendix C2, Environmental, Social and Governance Reporting Code*, to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*
- The 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*
- *Recommendations of the Task Force on Climate-related Financial Disclosures* (TCFD)
- International Sustainability Standards Board (ISSB), *IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 – Climate-related Disclosures*
- Sustainability Accounting Standards Board, *SASB Standards*
- United Nations Sustainable Development Goals (SDGs)
- Key indicators used by capital market rating agencies to assess corporate environmental, social and governance (ESG) performance

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:

Report Principles	Company’s Response
Materiality	SF uses a double-materiality analysis method to systematically identify and evaluate ESG material issues from the two dimensions of financial materiality and impact materiality. After the evaluation results are reviewed and approved by the strategic committee of the board of directors, they serve as an important basis for the compilation of this report.
Quantification	This report discloses SF’s key quantitative performance indicators and sets ESG targets where applicable. The calculation standards, methods, assumptions, and/or calculation tools for all quantitative indicators have been explained in the corresponding positions.
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:

Report Principles	Company’s Response
Accuracy	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. This report has undergone several rounds of rigorous review by the Company to ensure the accuracy of the disclosed information.
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 2025 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.
Sustainable Development Background	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 2025 to 31 December 2025. 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.

Data Explanation

In March 2026, the Company successfully passed the verification of the international independent third-party verification institution, SGS-CSTC Standards Technical Services Co., Ltd., completed the third-party certification of greenhouse gas emissions for the year 2025, and obtained the greenhouse gas verification statement certificate.



Statement of Conformity CN26/00001845

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2025 to 31 Dec. 2025 of

Shenzhen SF Taisen Holdings (Group) Inc.

Business address: 4301, 43/F, Shunfeng Headquarters Building, 3076 Xinghai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, Guangdong Province, P.R. China
Organization boundary: Detail organization boundary information has been listed in Annex,

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions
3,362,084.99 tonnes of CO2e
Indirect Emissions
7,063,060.57 (Location-based) 7,232,223.30 (Market-based) tonnes of CO2e
Total Emissions Quantified
10,425,145.57 (Location-based) 10,594,308.29 (Market-based) tonnes of CO_2e

The specific categories of indirect greenhouse gas emissions are detailed in the appendix of this statement, which is an integral part of this statement

Authorised by
David Xin
Sr. Director - Business Assurance
DATE: 23 Jan. 2026

SGS-CSTC Standards Technical Services Co., Ltd.
16F Century YuHui Mansion, No. 73 Fucheng Road, Beijing, P.R. CHINA 100142
t +86 (0)10 58251188 www.sgsgroup.com.cn

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Page 1 of 13

During the preparation of this report, the Company conducted a systematic retrospective review of its environmental performance data for 2023-2024. The adjustments and restatements of relevant data are explained as follows:

- As the Company's greenhouse gas (GHG) inventory has been continuously improved and its accounting and statistical boundaries have been gradually standardized, adjustments have been made to certain key performance indicators (KPIs) for 2023-2024, including gasoline consumption, diesel consumption, total energy consumption, energy consumption intensity, non-hazardous waste, and amount of recycled waste, to ensure consistency in data accounting logic.
- The Company supplemented and retrospectively expanded the coverage scope of 2023 GHG emission data, and recalculated and retrospective adjusted certain 2023 KPIs, including GHG emissions and energy consumption.

The Company will further strengthen its ESG data collection and verification procedures, introduce a cross-verification mechanism, and continuously enhance its data governance capabilities.

Unless otherwise specified, all data presented in this report are rounded to one decimal place. Due to rounding effects, the total or percentage figures in some tables may differ slightly from the direct sum of individual line items. Such differences do not constitute calculation errors.

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.

Report Release

This report, confirmed by management, was approved by the Board of Directors on March 30, 2026 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

SGS

ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE SF HOLDING'S SUSTAINABILITY REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by S.F. Holding Co., Ltd (hereinafter referred to as SF Holding) to conduct an independent assurance of SF Holding 2025 Sustainability Report (Chinese version) for the period of January 1, 2025 to December 31, 2025.

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

RESPONSIBILITIES
The sustainability information in the SF Holding 2025 Sustainability Report and its presentation are the responsibility of SF Holding's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the SF Holding 2025 Sustainability Report.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC 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 Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

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

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by The Stock Exchange of Hong Kong Limited
Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at Block B, TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen, Guangdong Province, China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of SF Holding and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

SGS

LIMITATIONS AND MITIGATION
Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the SF Holding 2025 Sustainability Report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

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. As an affiliate of SGS Group, SGS-CSTC affirm our independence from SF Holding, 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, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the SF Holding 2025 Sustainability Report.

ADHERENCE TO GRI STANDARDS 2021
The assurance team concludes that the SF Holding 2025 Sustainability Report has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF LISTING RULES PUBLISHED BY THE STOCK EXCHANGE OF HONG KONG LIMITED
The assurance team concludes that the SF Holding 2025 Sustainability Report has been prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by The Stock Exchange of Hong Kong Limited.

ADHERENCE TO SELF-REGULATORY GUIDELINES NO. 17 FOR COMPANIES LISTED ON SHENZHEN STOCK EXCHANGE—SUSTAINABILITY REPORT (FOR TRIAL IMPLEMENTATION)
The assurance team concludes that the SF Holding 2025 Sustainability Report has been prepared in accordance with the requirements of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation).

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Mar. 19th, 2026
WWW.SGS.COM

CN26/00001807

Policy List

Chapters	Chapter Names	Compliance with Major Laws and Regulations	SF's Major Internal Regulations
Governance	Standardizing 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
	Strengthening Risk 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
	Upholding Business Ethics	Civil Code of the People's Republic of China 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 SF Supplier Code of Conduct Anti-Corruption Statement Conflict of Interest Statement SF Group Anti-Corruption Compliance Policy for Commercial Partners Code of Conduct for Overseas Procurement Personnel Management Measures for Kinship and Bidding Avoidance SF Group Intellectual Property Management System SF Group 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 Regulations on the Management of Network Data Security	Management Provisions on the Organizational Structure and Duties of Information Security and Privacy Protection Management Management Standard for Compliance Inspection of Personal Information Protection Data Lifecycle Security Management Regulations Data Asset Classification, Grading, and Security Management Measures Information Security High-Risk Behavior Management Measures Information Security Incident Management Regulations Information Security Reward and Discipline Policy Privacy Data Security Compliance Management Standards SF App Privacy Compliance Standards Employee Information Security Handbook Emergency Response Plan for Cybersecurity Incidents Emergency Response Plan for Data Security Incidents Measures for the Security Management of Application Recommendation Algorithms

Chapters	Chapter Names	Compliance with Major Laws and Regulations	SF's Major Internal Regulations
Environmental	Leading the Low-Carbon Transition	No Relevant Laws and Regulations	SF Environmental Management Policy
	Developing Green Logistics	Interim Regulations on Express Delivery Method and criteria for green packaging assessment Requirements of restricting excessive packaging in express delivery GB43352 – 2023 Limits of Heavy Metals and Specific Substances in Express Delivery Packaging	SF Interim Regulations on Aviation Energy Management System Regulations on the Management of Operating Vehicles Interim Management Measures for Fuel Consumption of Operating Vehicles Regulations on the Management of Water and Electricity in the Park Industrial Park Energy Consumption Management System Guidelines for the Maintenance and Management of Facilities and Equipment in the Industrial Park Service Standards for Property Management in the Industrial Park SF Packaging Operation Standards
	Advancing Circular Economy	Circular Economy Promotion Law of the People's Republic of China	SF Environmental Management Policy
	Practicing Green Operations	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
	Protecting the Ecological Environment	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 System
	Addressing Climate Change	No Relevant Laws and Regulations	SF Environmental Management Policy

Chapters	Chapter Names	Compliance with Major Laws and Regulations	SF's Major Internal Regulations
Social	Construction of Talented 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	Declaration on Protecting Employees' Rights and Interests Recruitment Management System of SF Talent Management System Senior Management Personnel Management System Expert Management System College Graduate Management System Measures for the Administration of SF Scholarship for School-Enterprise Cooperation Measures for the Administration of the "SF Sponsors Your College Education" Program Measures for the Transfer of Frontline and Second-line Employees Specifications and Requirements for Internal Recruitment Announcement of Key Positions for the Diversified Development of Frontline and Second-line Employees Measures for the Career Development of Pre-Retirement Employees and the Administration of Rehiring Retired Employees
	Protecting Employee 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 Special Provisions on the Labor Protection of Female Employees Trade Union Law of the People's Republic of China	Declaration on Protecting Employees' Rights and Interests Employee Handbook Employee Welfare Management System Attendance Management Regulations Regulations on Rewards and Penalties Promotion Guarantee Mechanism for Trade Union Representatives Panoramic Map for the Promotion and Training of Trade Union Representatives Trade Union Representative Management System Operation Guidelines for Handling Appeals Management Mechanism for Rationalization Proposals Operation System for the Model Worker and Craftsman Team Employee Health Management Guidelines Notice on the Incentive Plan for Safety and Image Management of Two-and Tricycles
	Guarding the Safety Line	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 Responsible Supply Chain	E-Commerce 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	General Procurement Management System of SF Group Measures for the Sourcing Management of the Procurement and Supply Chain Center Measures for the Supplier Management of the Procurement and Supply Chain Center Measures for the Contract Management of the Procurement and Supply Chain Center Measures for the Management of Authorized Self-Purchasing of the Procurement and Supply Chain Center Measures for the Quality Management of the Procurement and Supply Chain Center Measures for the Order Delivery Management of the Procurement and Supply Chain Center Measures for the Management of Procurement Information Acquisition SF Supplier Code of Conduct
	Contributing to Social Well-being	Charity Law of the People's Republic of China	Articles of Association of the SF Public Welfare Foundation Party Building System of the SF Public Welfare Foundation Management System for "Three Major and One Large" Issues of the SF Public Welfare Foundation Strategic Management System of the SF Public Welfare Foundation Reporting System for Major Issues of the SF Public Welfare Foundation Measures for the Administration of the SF Public Welfare Volunteer Service Team

Chapters	Chapter Names	Compliance with Major Laws and Regulations	SF's Major Internal Regulations
Services	Pioneering Intelligent Logistics	Personal Information Protection Law of the People's Republic of China Data Security Law of the People's Republic of China Interim Measures for the Review of Technology Ethics Ethical Norms for New-Generation Artificial Intelligence	Measures for the Safety Management of Application Recommendation Algorithms AI Safety and Compliance Management Standards
	Empowering Global Expansion	No relevant laws and regulations	No relevant internal management systems
	Providing Premium Services	Law of the People's Republic of China on the Protection of Consumer Rights and Interests	SF Business Voice Operation Management System Reward and Punishment Rules for Customer Service Customer Voice Classification Standard Operation Process of Customer Service for Customer Consultation and Experience Customer Service Operation Management Mechanism Measures on the Acceptance of Customer Complaints Administrative Measures for Claims Settlement Response Mechanism for Abnormal Events Complaint Handling Procedure Complaint Handling Upgrade Mechanism Guidelines for the Control of Internet Public Opinions and Complaints Abnormal Event Customer Service Process
	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
	Safeguarding Delivery Security	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 Key Environmental Performance

Indicator – Environment		Unit	2023			2024			2025		
			SF (Excluding KLN[24])	KLN	Total	SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total
GHG emissions											
GHG emissions	Total GHG emissions	tCO_2e	10,014,041.6	2,444,634.0	12,458,675.6	9,463,418.5	2,987,414.0	12,450,832.5	10,425,145.6	3,085,497.0	13,510,642.6
	Scope 1	tCO_2e	2,660,119.6	215,018.0	2,875,137.6	3,045,612.0	116,401.0	3,162,013.0	3,362,085.0	68,869.0	3,430,954.0
	Scope 2	tCO_2e	1,506,403.4	79,916.0	1,586,319.4	1,328,969.1	78,409.0	1,407,378.1	1,370,808.9	82,475.0	1,453,283.9
	Scope 3[25]	tCO_2e	5,847,518.5	2,149,700.0	7,997,218.5	5,088,837.3	2,792,604.0	7,881,441.3	5,692,251.6	2,934,153.0	8,626,404.6
	—Category 1: Purchased goods and services	tCO_2e	789,970.4	N/A	789,970.4	841,927.1	N/A	841,927.1	934,932.4	20,749.0	955,681.4
	—Category 2: Capital goods	tCO_2e	784,312.5	N/A	784,312.5	207,868.0	N/A	207,867.9	171,275.7	8,654.0	179,929.7
	—Category 3: Fuel and energy-related activities	tCO_2e	1,317,499.8	N/A	1,317,499.8	1,390,234.7	N/A	1,390,234.7	1,534,746.2	36,249.0	1,570,995.2
	—Category 4: Upstream transportation and distribution	tCO_2e	2,781,723.0	2,149,700.0	4,931,423.0	2,512,644.8	2,792,604.0	5,305,248.8	2,820,387.3	2,864,757.0	5,685,144.3
	—Category 5: Waste generated in operation	tCO_2e	3,315.0	N/A	3,315.0	1,053.5	N/A	1,053.5	1,071.6	N/A	1,071.6
	—Category 6: Business trip	tCO_2e	22,691.4	N/A	22,691.4	41,120.5	N/A	41,120.5	29,198.3	3,744.0	32,942.3
	—Category 7: Employee commuting	tCO_2e	25,148.9	N/A	25,148.9	25,339.4	N/A	25,339.4	25,752.0	N/A	25,752.0
	—Category 8: Upstream leased assets	tCO_2e	16,673.6	N/A	16,673.6	16,899.5	N/A	16,899.5	18,573.0	N/A	18,573.0
	—Category 12: End-of-life treatment of sold products	tCO_2e	10,217.8	N/A	10,217.8	3,560.9	N/A	3,560.9	2,837.3	N/A	2,837.3
	—Category 15: Investment	tCO_2e	95,966.2	N/A	95,966.2	48,189.0	N/A	48,189.0	157,900.9	N/A	157,900.9
GHG emission intensity		tCO_2e/million revenue (RMB)	47.1	53.4	48.2	41.2	54.7	43.8	40.7	59.6	43.8
GHG emissions removal	GHG removal from newly planted trees	tCO_2e	4.6	9.0	13.6	5.6	8.0	13.6	3.2	6.0	9.2
	Purchased carbon credits	tCO_2e	N/A	N/A	N/A	44.0	N/A	44.0	197.0	N/A	197.0
Emission											
Nitrogen oxide emissions		ton	27,246.4	1,907.0	29,153.4	25,045.2	528.0	25,573.2	25,528.5	242.0	25,770.5
Sulfur oxide emission		ton	18.2	3.0	21.2	17.4	0.8	18.2	30.7	0	30.7
Particle emissions		ton	2,021.2	118.0	2,139.2	2,011.1	35.0	2,046.1	2,120.6	19.0	2,139.6

[24] KLN Logistics Group Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0636.HK), and a holding subsidiary of the Company.

[25] The Company continuously improves the statistics for various categories of Scope 3 greenhouse gas emissions. In 2025, emissions from Scope 3 Categories 9, 10, 11, 13, and 14 were not applicable to SF's primary business operations and are therefore not presented in this table of Environmental Key Performance.

Indicator – Environment		Unit	2023			2024			2025		
			SF (Excluding KLN[24])	KLN	Total	SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total
Energy consumption[26]											
Non-renewable energy[27]	Total non-renewable energy consumption	MWh	9,041,514.5	1,005,665.0	10,047,179.5	10,198,866.7	544,719.0	10,743,585.7	11,109,619.0	422,951.0	11,532,570.0
		tce	1,110,586.4	123,527.7	1,234,114.2	1,252,746.2	66,908.9	1,319,655.1	1,364,615.6	51,951.9	1,416,567.5
	Gasoline consumption	MWh	40,871.4	13,424.0	54,295.4	87,992.5	12,205.0	100,197.5	22,101.7	9,663.0	31,764.7
		tce	5,020.3	1,648.9	6,669.2	10,808.3	1,499.2	12,307.4	2,714.8	1,186.92	3,901.7
	Diesel consumption	MWh	3,570,352.6	780,440.0	4,350,792.6	3,393,132.1	350,675.0	3,743,807.1	3,193,307.1	221,505.0	3,414,812.1
		tce	438,553.2	95,862.9	534,416.1	416,784.9	43,074.1	459,858.9	392,240.0	27,207.88	419,447.9
	Aviation kerosene consumption	MWh	5,430,290.5	N/A	5,430,290.5	6,717,577.2	N/A	6,717,577.2	7,894,210.2	N/A	7,894,210.2
		tce	667,012.9	N/A	667,012.9	825,132.8	N/A	825,132.8	969,660.9	N/A	969,660.9
	Natural gas consumption	MWh	N/A	909.0	909.0	165.0	1,399.0	1,564.0	N/A	1,166.0	1,166.0
		tce	N/A	111.7	111.7	20.3	171.8	192.1	N/A	143.2	143.2
	Liquefied petroleum gas consumption	MWh	N/A	2,112.0	2,112.0	N/A	1,870.0	1,870.0	N/A	2,147.0	2,147.0
		tce	N/A	259.4	259.4	N/A	229.7	229.7	N/A	263.7	263.7
	Compressed natural gas consumption	MWh	N/A	204,405.0	204,405.0	N/A	174,356.0	174,356.0	N/A	186,473.0	186,473.0
		tce	N/A	25,107.5	25,107.5	N/A	21,416.5	21,416.5	N/A	22,904.8	22,904.8
	Gas and oil consumption	MWh	N/A	4,375.0	4,375.0	N/A	4,214.0	4,214.0	N/A	1,997.0	1,997.0
		tce	N/A	537.4	537.4	N/A	517.6	517.6	N/A	245.3	245.3
Renewable energy	Total renewable energy consumption	MWh	15,712.0	1,402.0	17,114.0	44,073.7	3,837.0	47,910.7	61,904.4	4,349.0	66,253.4
	Solar energy consumption	MWh	15,712.0	1,378.0	17,090.0	44,073.7	3,581.0	47,654.7	61,904.4	4,041.0	65,945.4
	Hydropower consumption[28]	MWh	N/A	24.0	24.0	N/A	256.0	256.0	N/A	308.0	308.0
Indirect energy consumption	Purchased Electricity consumption	MWh	2,172,682.9	167,799.0	2,340,481.9	2,081,160.5	145,144.0	2,226,304.5	2,167,698.2	140,814.0	2,308,512.2
		tce	266,874.8	20,611.1	287,485.8	255,632.9	17,828.3	273,461.2	266,262.5	17,296.45	283,558.9
	Purchased heat	MWh	675,056.5	N/A	675,056.5	544,569.2	N/A	544,569.2	557,142.1	N/A	557,142.1
		tce	82,918.5	N/A	82,918.5	66,890.5	N/A	66,890.5	68,434.8	N/A	68,434.8
Total energy sold		MWh	57.2	479.0	536.2	1,330.3	836.0	2,166.3	1,930.9	881.0	2,811.9
Total energy consumption		MWh	11,229,852.2	1,174,387.0	12,404,239.2	12,322,770.7	692,864.0	13,015,634.7	13,337,290.7	567,233.00	13,904,523.7
		tce	1,379,384.1	144,252.2	1,523,636.3	1,513,629.4	85,105.8	1,598,735.2	1,638,244.8	69,674.31	1,707,919.1
Energy consumption intensity		MWh/million revenue (RMB)	52.8	25.6	48.0	53.6	12.7	45.8	52.0	10.9	45.1
		tce/million revenue (RMB)	6.5	3.2	5.9	6.6	1.6	5.6	6.4	1.3	5.5

[26] The calculation methodology for 2025 energy consumption and the calorific value conversion factors were applied in accordance with the *Guidance on Environmental Key Performance Indicators Disclosure* (Appendix 2 of the Hong Kong Exchanges and Clearing's *Environmental, Social and Governance Reporting Guide*) and the *General Rules for Calculation of Total Production Energy Consumption* (GB/T 2589-2020). The adopted calorific value conversion factors are 277.778 kWh/GJ and 0.03412 kgce/MJ.

[27] Due to differences in business models, certain metrics within non-renewable energy consumption are not applicable, and are therefore shown as N/A.

[28] 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	2023			2024			2025		
			SF (Excluding KLN[24])	KLN	Total	SF (Excluding KLN)	KLN	Total	SF (Excluding KLN)	KLN	Total
Use of water resources											
Water withdraw		ton	1,601,051.4	1,042,625.0	2,643,676.4	2,148,565.7	747,469.0	2,896,034.7	3,133,844.0	586,543.0	3,720,387.0
Water withdraw intensity		ton/million revenue (RMB)	7.5	22.8	10.2	9.4	13.7	10.2	12.2	11.3	12.1
Waste											
Non-hazardous waste[29]		ton	155,214.6	20,113.0	175,327.6	161,732.3	6,345.0	168,077.3	228,693.9	6,707.0	235,400.9
Non-hazardous waste intensity		ton/million revenue (RMB)	0.7	0.4	0.7	0.7	0.1	0.6	0.9	0.1	0.8
Hazardous waste		ton	N/A	54.0	54.0	N/A[30]	95.0	95.0	N/A	185.0	185.0
Hazardous waste intensity		ton/million revenue (RMB)	N/A	0.0012	0.0002	N/A	0.0017	0.0003	N/A	0.004	0.001
Amount of recycled waste[31]		ton	N/A	N/A	N/A	12.7	0	12.7	26.8	0	26.8
Packaging materials											
Use of packaging materials[32]	Total use of packaging materials	ton	477,113.8	5,672.0	482,785.8	509,788.8	3,822.0	513,610.8	560,262.0	3,473.00	563,735.0
	Express envelope	ton	73,960.0	N/A	73,960.0	62,496.8	N/A	62,496.8	60,955.2	N/A	60,955.2
	Waybill	ton	14,257.4	N/A	14,257.4	17,011.0	N/A	17,011.0	16,689.2	N/A	16,689.2
	Carton	ton	266,797.6	4,539.0	271,336.6	289,326.0	2,748.0	292,074.0	322,477.6	2,419.0	324,896.6
	Plastic bags	ton	51,729.6	1,100.0	52,829.6	63,431.5	1,035.0	64,466.5	76,038.5	1,051.0	77,089.5
	Scotch tapes	ton	26,013.0	N/A	26,013.0	28,721.9	N/A	28,721.9	34,941.5	N/A	34,941.5
	Foaming types of fillers	ton	12,884.5	33.0	12,917.5	17,388.5	39.0	17,427.5	20,524.3	3.0	20,527.3
	Inflatable type of fillers	ton	31,471.8	N/A	31,471.8	31,413.0	N/A	31,413.0	28,635.8	N/A	28,635.8
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

29 Due to internal discrepancies in understanding statistical scopes, the 2024 data has been restated based on the latest statistical scopes and verification results.

30 SF (excluding KLN) does not generate hazardous waste in its own operations, and is therefore shown as N/A.

31 Due to internal discrepancies in understanding statistical scopes, the 2024 data has been restated based on the latest statistical scopes and verification results.

32 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 Key Social Performance

Indicator – Society		Unit	2023	2024	2025
Employment					
Number of Workforce					
Total workforce		Person	746,577	739,542	730,885
By gender	Male	Person	627,408	626,242	614,528
	Female	Person	119,169	113,300	116,357
By age	Aged below 30	Person	226,221	232,004	208,037
	Aged 30-50	Person	508,251	492,255	504,466
	Aged over 50	Person	12,105	15,283	18,382
By job functions	Management (including primary-level managers)	Person	26,025	25,940	26,430
	Professional	Person	43,725	41,069	41,031
	Primary-level	Person	676,827	672,303	663,424
By region	Mainland China	Person	711,666	707,042	699,392
	Hong Kong, Macao and Taiwan	Person	7,176	6,662	6,519
	Overseas	Person	27,735	25,838	24,974
By job type	Full-time	Person	647,728	629,917	624,502
	Part-time	Person	98,849	109,625	106,383
Number of new hires		Person	305,817	215,118	215,606
Number of truck drivers		Person	30,034	32,566	30,504
Gender diversity among workforce					
Number of new female hires		Person	53,894	41,382	44,578
Number of departures					
Total departures		Person	122,037	119,993	100,370
Turnover rate[33]		%	16.3	16.2	13.7
By gender[34]	Male	%	15.9	15.6	13.2
	Female	%	18.7	19.4	16.3
By age[35]	Aged below 30	%	26.4	24.5	22.9
	Aged 30-50	%	12.1	12.6	10.2
	Aged over 50	%	7.4	8.2	5.7
By region[36]	Mainland China	%	15.2	13.7	12.8
	Hong Kong, Macao and Taiwan	%	22.5	23.6	14.4
	Overseas	%	43.3	83.1	40.4
Workforce rights and interests					
Percentage of workforce covered by collective agreement		%	100	100	100
Employee satisfaction[37]		%	87.8	92.3	86.1
Health and safety					
The number of working days lost due to injury		Day	34,282	39,228	39,721
Deaths due to work-related injuries		Person	58	37	35
Death rate due to work-related injuries[38]		Per hundred workforce	0.0078	0.0050	0.0048
Lost-time injury rate[39]		Per million hours worked	2.35	2.07	1.92
Number of aviation accidents		Case	0	0	0
Training and development					
Total number of training sessions[40]		Session	34,846	39,407	131,963
Training & development expenditure		RMB10,000	7,887	10,842	14,857
Number of trained workforce					
Total number of trained workforce		Person	724,277	711,311	706,252
By gender	Male	Person	612,206	605,503	596,253
	Female	Person	112,071	105,820	109,999
By job functions	Management (including primary-level managers)	Person	23,053	23,725	23,699
	Professional	Person	37,565	39,189	38,063
	Primary-level	Person	663,709	647,448	644,490

33 Turnover rate = Total departures ÷ Total workforce

34 Turnover rate by gender = Number of departures of male or female ÷ Number of male or female

35 Turnover rate by age = Number of departures by age ÷ Number of workforce by age

36 Turnover rate by region = Number of departures by region ÷ Number of workforce by region

37 In 2025, the Company upgraded its employee satisfaction survey system, evolving from a single-dimension satisfaction survey to a multi-dimensional “Employee Well-being Index Diagnosis” encompassing six dimensions: Culture, Engagement, Management, Efficiency, Development, and Rewards. The 2025 data is calculated based on this new system and is not directly comparable with historical figures. This upgrade aims to provide a more comprehensive and accurate reflection of employee sentiment and organizational health.

38 Death rate due to work-related injuries = Number of workforce deaths due to work-related injuries ÷ Total workforce × 100

39 Lost-time injury rate = Number of lost man-hours accidents ÷ Number of hours actually worked × 1,000,000

40 In 2025, the statistical scope of training sessions (KLN) was adjusted from the Hong Kong region to a global scope compared with 2024, resulting in a significant increase in the data

Indicator – Society		Unit	2023	2024	2025
Percentage of trained workforce		%	97.0	96.2	96.6
By gender[41]	Male	%	84.5	85.1	84.4
	Female	%	15.5	14.9	15.6
By job functions[42]	Management (including primary-level managers)	%	3.2	3.3	3.4
	Professional	%	5.2	5.5	5.4
	Primary-level	%	91.6	91.0	91.3
Training hours					
Total training hours		Hour	5,644,982	6,768,687	6,418,522
Average training hours per trained workforce		Hour	7.8	9.2	8.8
By gender[43]	Male	Hour	7.8	9.2	8.8
	Female	Hour	7.9	9.0	8.8
By job functions[44]	Management (including primary-level managers)	Hour	7.1	8.6	8.7
	Professional	Hour	7.8	10.5	10.5
	Primary-level	Hour	7.6	9.1	8.7
Supply chain management					
Total number of suppliers[45]		Company	10,932	3,881	3,770
By region	Mainland China	Company	10,271	3,872	3,754
	Hong Kong, Macao and Taiwan	Company	51	1	6
	Overseas	Company	519	8	10
Product liability					
Number of products and service related valid complaints received[46]		Case	2,195	11,815	254,139
Customer complaint resolution rate		%	100	100	100
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	4	0	0

41 Percentage of trained workforce by gender = Number of trained male or female ÷ Total number of trained workforce
42 Percentage of trained workforce by job functions = Number of trained workforce by job functions ÷ Total number of trained workforce
43 Average training hours per trained workforce by gender = Total training hours of male or female ÷ Number of trained male or female
44 Average training hours per trained workforce by job functions = Total training hours by job functions ÷ Number of trained workforce by job functions

Indicator – Society	Unit	2023	2024	2025
Anti-corruption training				
Total hours of anti-corruption training	Hour	70,073	62,326	98,440
Number of workforce involved in anti-corruption training	Person	121,701	59,891	170,569
Number of directors involved in anti-corruption training	Person	7	7	6
Percentage of directors participating in anti-corruption training	%	100	100	100
Number of management involved in anti-corruption training	Person	New indicators added in 2024	3,714	4,997
Community investment				
Charitable donations	RMB10,000	10,590	7,177	3,374
Number of volunteer activity participations	Person-time	8,921	7,662	8,569
Total hours of volunteer activity	Hour	35,308	35,671	50,183
Innovation driven				
The amount of R&D investment	RMB10,000	336,329	309,371	295,975
Percentage of R&D investment to operating revenue	%	1.3	1.1	1.0
Number of R&D personnel	Person	4,637	4,193	4,007
Number of valid patents during the reporting period	Patent	2,003	2,252	2,459
Number of invention patent applications during the reporting period	Patent	337	263	338
Number of granted invention patents during the reporting period	Patent	188	314	221
Number of invention patents applied to the principal business	Patent	730	783	853
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

45 As the Company refined its statistical scope starting in 2024 to include only suppliers with actual business transactions during the reporting period, the total number of suppliers for 2024 and 2025 is not directly comparable with previous years. This refinement aims to more accurately represent the scale of active suppliers.
46 1) Data Source: Number of valid complaints from the State Post Bureau Complaints Service Platform; 2) Scope Explanation: Due to adjustments in postal complaint handling rules from late 2024 to 2025, there was a significant change in the statistical scope for the 2025 complaint data, rendering it not directly comparable with historical annual data.

Sustainability Report Content Index

Index to the ESG Reporting Code of The Stock Exchange of Hong Kong Limited

Introduction		
Aspects, General Disclosures and KPIs	Description	Location
Introduction		
Overall Approach 9	The issuer may seek independent assurance to strengthen the credibility of the ESG information disclosed. Where independent assurance is obtained, the issuer should describe the level, scope and processes adopted for the assurance given clearly in the ESG report.	Assurance Statement
Mandatory Disclosure Requirements		
Governance Structure 13	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (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.	Sustainability Governance
Reporting Principles 14	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality, Quantitative, Consistency.	About this Report
Reporting Boundary 15	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 this Report
Environmental		
Aspects, General Disclosures and KPIs	Description	Location
Aspect A1: Emissions		
General Disclosure Information on:	Relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (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.	Practicing Green Operations Policy List
KPI A1.1	The types of emissions and respective emissions data.	Key Performance Indicators
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.	Practicing Green Operations
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.	Practicing Green Operations

Aspects, General Disclosures and KPIs	Description	Location
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Practicing Green Operations Policy List
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.	Practicing Green Operations
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.	Practicing Green Operations
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.	Practicing Green Operations Policy List
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Practicing Green Operations Protecting the Ecological Environment Developing Green Logistics
Social		
Aspects, General Disclosures and KPIs	Description	Location
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. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Construction of Talented Team Protecting Employee Rights and Interests
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
Aspect B2: Health and Safety		
General Disclosure	relating to providing a safe working environment and protecting employees from occupational hazards. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Guarding the Safety Line Policy List
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.	Guarding the Safety Line

Aspects, General Disclosures and KPIs	Description	Location
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Construction of Talented Team
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. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Protecting Employee Rights and Interests
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 Responsible Supply Chain Policy List
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 Responsible Supply Chain Policy List
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 Responsible Supply 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 Responsible Supply Chain
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. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Providing Premium Services 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.	Key Performance Indicators
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Upholding 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 Policy List

Aspects, General Disclosures and KPIs	Description	Location
Aspect B7: Anti-corruption		
General Disclosure	relating to bribery, extortion, fraud and money laundering.	Upholding Business Ethics Policy List
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
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.	Upholding Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Upholding Business Ethics Key Performance Indicators
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.	Contributing to Social Well-being
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to Social Well-being
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Contributing to Social Well-being Key Performance Indicators
Part D: Climate-related Disclosures		
Section	Description	Location
Governance		
19(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Addressing Climate Change
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Addressing Climate Change
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Addressing Climate Change
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Addressing Climate Change
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Addressing Climate Change
19(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Addressing Climate Change
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Addressing Climate Change
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Addressing Climate Change

Section	Description	Location
Strategy		
20(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Addressing Climate Change
20(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Addressing Climate Change
20(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Addressing Climate Change
20(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Addressing Climate Change
21(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Addressing Climate Change
21(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Addressing Climate Change
22(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Addressing Climate Change
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Addressing Climate Change
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Addressing Climate Change
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Addressing Climate Change
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Addressing Climate Change
22(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Addressing Climate Change
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Addressing Climate Change
24(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Addressing Climate Change
24(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	During the reporting period, the Company continued to identify and assess climate-related risks and opportunities. As the financial impacts on the financial statements for the next reporting year have yet to be independently quantified, and the methodologies for measuring such impacts are still being developed and refined, the Company has not made separate disclosure in this respect for the time being, in order to ensure the accuracy and effectiveness of its disclosures and avoid any potential misinterpretation by stakeholders. Going forward, the Company will continue to improve its framework for identifying and measuring climate-related financial impacts, and enhance the quality and transparency of its climate-related disclosures.
25(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	
	(ii) its planned sources of funding to implement its strategy; and	
25(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
26(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Addressing Climate Change
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Addressing Climate Change
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	Addressing Climate Change
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Addressing Climate Change

Section	Description	Location
26(b)	how and when the climate-related scenario analysis was carried out, including: Addressing Climate Change	Addressing Climate Change
	(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	Addressing Climate Change
	(ii) the key assumptions the issuer made in the analysis; and	Addressing Climate Change
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	Addressing Climate Change
Risk Management		
27(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Addressing Climate Change
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Addressing Climate Change
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Addressing Climate Change
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Addressing Climate Change
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Addressing Climate Change
	(v) how the issuer monitors climate-related risks; and	Addressing Climate Change
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Addressing Climate Change
27(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Addressing Climate Change
27(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Addressing Climate Change
Metrics and Targets		
28(a)	Scope 1 greenhouse gas emissions;	Addressing Climate Change
28(b)	Scope 2 greenhouse gas emissions; and	Addressing Climate Change
28(c)	Scope 3 greenhouse gas emissions.	Addressing Climate Change
29(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
29(b)	disclose the approach it uses to measure its greenhouse gas emissions including:	Addressing Climate Change
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Addressing Climate Change
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Addressing Climate Change
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Addressing Climate Change

Section	Description	Location
29(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	Addressing Climate Change Key Performance Indicators
29(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Addressing Climate Change Key Performance Indicators
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	During the reporting period, the Company continued to identify and assess climate-related risks and opportunities. As the financial data relating to the impacts of climate factors on relevant assets and business activities cannot yet be reasonably compiled on the basis of the existing data foundation and methodologies without incurring undue cost, the Company has not made separate disclosure in this respect for the time being, in order to ensure the accuracy and reliability of its disclosures and avoid any potential misinterpretation by stakeholders. Going forward, the Company will progressively refine its framework for accounting for climate-related financial impacts, and continue to enhance the completeness and transparency of its disclosures.
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	During the reporting period, the Company continued to monitor the impacts of climate-related risks and opportunities on its capital expenditure, financing and investment activities. As the relevant data cannot yet be separately identified and measured from the existing financial information, and the applicable methodologies for assessing such impacts are still under development, the Company has not made separate disclosure in this respect for the time being, in order to ensure the accuracy and effectiveness of its disclosures and avoid any potential misinterpretation by stakeholders. Going forward, the Company will continue to improve its framework for identifying and measuring climate-related financial impacts, and progressively enhance the quality and completeness of the relevant disclosures.
34(a)	an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and	During the reporting period, the Company continued to monitor developments in carbon emissions trading mechanisms in China and overseas, and actively explored the potential application of internal carbon pricing in strategic decision-making. As the Company's current business has not been included in any mandatory carbon emissions trading scheme, and its internal carbon pricing mechanism remains at a preliminary research stage, internal carbon pricing has not yet been formally applied to strategic or investment decision-making. Going forward, the Company will, in line with policy developments and its own low-carbon transition needs, steadily advance the development of methodologies for internal carbon pricing and related pilot applications, and continue to enhance the sophistication of its climate risk management.
34(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Addressing Climate Change
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Air Freight & Logistics SASB Content Index

Section	Description	Location
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	Addressing Climate Change
37(a)	the metric used to set the target;	Addressing Climate Change
37(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Addressing Climate Change
37(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Addressing Climate Change
37(d)	the period over which the target applies;	Addressing Climate Change
37(e)	the base period from which progress is measured;	Addressing Climate Change
37(f)	milestones or interim targets (if any);	Addressing Climate Change
37(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	Addressing Climate Change
37(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Addressing Climate Change
38(a)	whether the target and the methodology for setting the target has been validated by a third party;	Addressing Climate Change
38(b)	the issuer's processes for reviewing the target;	Addressing Climate Change
38(c)	the metrics used to monitor progress towards reaching the target; and	Addressing Climate Change
38(d)	any revisions to the target and an explanation for those revisions.	Addressing Climate Change
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Addressing Climate Change
40(a)	which greenhouse gases are covered by the target;	Addressing Climate Change
40(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Addressing Climate Change
40(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	Addressing Climate Change
40(d)	whether the target was derived using a sectoral decarbonisation approach; and	During the reporting period, the Company did not adopt an industry decarbonisation approach in setting its climate-related targets.
40(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	During the reporting period, the Company did not use carbon credits to offset GHG emissions.
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	

Index to the Self-Regulatory Guidance for Listed Companies No. 17 – Sustainability Report (Trial) of the Shenzhen Stock Exchange

Disclosure Requirement	Corresponding Provisions	Location
General Disclosure	Article 11	Energy Utilization Addressing Climate Change Technological Innovation
	Article 12	Sustainability Governance
	Article 13	Materiality Assessment
	Article 14	Materiality Assessment
	Article 15	Materiality Assessment
	Article 16	Materiality Assessment Energy Utilization Addressing Climate Change Technological Innovation
	Article 17	Materiality Assessment Energy Utilization Addressing Climate Change Technological Innovation
	Article 18	Materiality Assessment Energy Utilization Addressing Climate Change Technological Innovation
	Article 19	Developing Green Logistics Energy Utilization Addressing Climate Change Facilitating Employee Voice Safety Management System Supplier Management System Technological Innovation Improving Customer Experience
Addressing Climate Change	Article 21-28	Addressing Climate Change
Pollutant Emissions Management	Article 30	Green Operation
Waste Management	Article 31	Green Operation
Ecosystem and Biodiversity Conservation	Article 32	Protecting the Ecological Environment
Environmental Compliance Management	Article 33	Practicing Green Operations
Energy Utilization	Article 35	Energy Utilization
Water Resource Management	Article 36	Green Operation
Circular Economy	Article 37	Advancing Circular Economy
Rural Revitalization	Article 39	Rural Revitalization
Social Contributions	Article 40	Public Welfare and Charity
Innovation-Driven	Article 42	Pioneering Intelligent Logistics
Ethics in Science and Technology	Article 43	Technology Ethics
Supply Chain Security and Resilience	Article 45	Building a Responsible Supply Chain
Equal Treatment of Small and Medium-sized Enterprises (SMEs)	Article 46	Equal Treatment of Small and Medium-sized Enterprises
Product and Service Safety and Quality Assurance	Article 47	Providing Premium Services Safeguarding Delivery Security
Data Security and Customer Privacy Protection	Article 48	Ensuring Information Security
Employee	Article 50	Construction of Talented Team Protecting Employee Rights and Interests In accordance with the relevant laws and regulations of the PRC, the Company does not fall within the scope of production and operating entities in high-risk industries or sectors as prescribed by the State, and is therefore not subject to the mandatory requirement to obtain work safety liability insurance. To enhance protection for employees and third parties, the Company has procured employers' liability insurance and property public liability insurance.
Due Diligence	Article 52	Protection of Employee Rights and Interests
Stakeholder Engagement	Article 53	Sustainability Governance
Anti-Commercial Bribery and Anti-Corruption	Article 55	Anti-Commercial Bribery and Anti-Corruption
Anti-Unfair Competition	Article 56	Anti-Monopoly and Anti-Unfair Competition
Green Packaging	/	Green Packaging
Diversity and Inclusion	/	Diversity, Equality and Inclusion
Safety Delivery and Transportation	/	Guarding the Safety Line
Building a Green and Intelligent Industrial Chain	/	Developing Green Logistics Pioneering Intelligent Logistics
Corporate Governance	/	Standardizing 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, 2025, to December 31, 2025.
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 this Report
2-2	Entities included in the organization's sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	About this Report
2-5	External assurance	Assurance Statement
2-6	Activities, value chain and other business relationships	About SF Building a Responsible Supply Chain Services: Leading with Digital Intelligence to Connect the Globe and Empower Overseas Expansion
2-7	Employees	Construction of Talented Team Protecting Employee Rights and Interests Key Performance Indicators
2-8	Workers who are not employees	Construction of Talented Team Protecting Employee Rights and Interests Key Performance Indicators
2-9	Governance structure and composition	Standardizing Corporate Governance
2-10	Nomination and selection of the highest governance body	Standardizing Corporate Governance
2-11	Chair of the highest governance body	Standardizing Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Standardizing Corporate Governance
2-13	Delegation of responsibility for managing impacts	Sustainability Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance
2-15	Conflicts of interest	Upholding Business Ethics Building a Responsible Supply Chain
2-16	Communication of critical concerns	Sustainability Governance
2-17	Collective knowledge of the highest governance body	Sustainability Governance
2-18	Evaluation of the performance of the highest governance body	Please refer to the Company's annual report
2-19	Remuneration policies	Please refer to the Company's annual report
2-20	Process to determine remuneration	Please refer to the Company's annual report
2-21	Annual total compensation ratio	Confidentiality Limits
2-22	Statement on sustainable development strategy	Sustainability Governance
2-23	Policy commitments	Sustainability Governance
2-24	Embedding policy commitments	Sustainability Governance
2-25	Processes to remediate negative impacts	Protection of Employee Rights and Interests
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Governance
2-27	Compliance with laws and regulations	Policy List
2-28	Membership associations	Promoting Industry Development
2-29	Approach to stakeholder engagement	Sustainability Governance
2-30	Collective bargaining agreements	Facilitating Employee Voice
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Governance
3-2	List of material topics	Sustainability Governance
3-3	Management of material topics	Sustainability Governance
GRI 101: Biodiversity 2024		
101-1	Policies to halt and reverse biodiversity loss	Not Applicable
101-2	Management of biodiversity impacts	Improving Environmental Management System Protecting the Ecological Environment
101-3	Access and benefit-sharing	Not Applicable
101-4	Identification of biodiversity impacts	Protecting the Ecological Environment
101-5	Locations with biodiversity impacts	Protecting the Ecological Environment
101-6	Direct drivers of biodiversity loss	Not Applicable
101-7	Changes to the state of biodiversity	Protecting the Ecological Environment
101-8	Ecosystem services	Green Operation
GRI 102: Climate Change 2025		
102-1	Transition plan for climate change mitigation	Addressing Climate Change
102-2	Climate change adaptation plan	Addressing Climate Change
102-3	Just transition	Developing Green Logistics Practicing Green Operations
102-4	GHG emissions reduction targets and progress	Addressing Climate Change
102-5	Scope 1 GHG emissions	Key Performance Indicators
102-6	Scope 2 GHG emissions	Key Performance Indicators
102-7	Scope 3 GHG emissions	Key Performance Indicators
102-8	GHG emissions intensity	Key Performance Indicators
102-9	GHG removals in the value chain	Leading the Low-Carbon Transition

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
102-10	Carbon credits	During the reporting period, the Company did not use carbon credits to offset GHG emissions.
GRI 103: Energy 2025		
103-1	Energy policies and commitments	Improving Environmental Management System Energy Utilization
103-2	Energy consumption and self-generation within the organization	Key Performance Indicators
103-3	Upstream and downstream energy consumption	Not Applicable
103-4	Energy intensity	Key Performance Indicators
103-5	Reduction in energy consumption	Developing Green Logistics Energy Utilization
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Please refer to the Company's annual report
201-3	Defined benefit plan obligations and other retirement plans	Protecting Employee 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	Contributing to Social Well-being
203-2	Significant indirect economic impacts	Contributing to Social Well-being
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	Upholding Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Upholding Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Upholding Business Ethics
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Upholding 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	Green Packaging Key Performance Indicators
301-2	Recycled input materials used	Green Packaging
301-3	Reclaimed products and their packaging materials	Green Packaging
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Green Industrial Park
303-2	Management of water discharge-related impacts	Green Industrial Park
303-3	Water withdrawal	Key Performance Indicators
303-4	Water discharge	Key Performance Indicators
303-5	Water consumption	Key Performance Indicators
GRI 305: Emissions 2016		
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	Green Operation
306-2	Management of significant waste-related impacts	Green Operation
306-3	Waste generated	Key Performance Indicators
306-4	Waste diverted from disposal	Green Operation Key Performance Indicators
306-5	Waste directed to disposal	Green Operation Key Performance Indicators
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Building a Responsible Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Building a Responsible Supply 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 Employee Rights and Interests
401-3	Parental leave	Protecting Employee Rights and Interests
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Protecting Employee Rights and Interests
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Guarding the Safety Line
403-2	Hazard identification, risk assessment, and incident investigation	Guarding the Safety Line
403-3	Occupational health services	Guarding the Safety Line
403-4	Worker participation, consultation, and communication on occupational health and safety	Guarding the Safety Line
403-5	Worker training on occupational health and safety	Guarding the Safety Line

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
403-6	Promotion of worker health	Protecting Employee Rights and Interests Guarding the Safety Line
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Guarding the Safety Line
403-8	Workers covered by an occupational health and safety management system	Guarding the Safety Line
403-9	Work-related injuries	Key Performance Indicators
403-10	Work-related ill health	Key Performance Indicators
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Key Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	Construction of Talented Team
404-3	Percentage of employees receiving regular performance and career development reviews	Construction of Talented Team
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Protecting Employee Rights and Interests
405-2	Ratio of basic salary and remuneration of women to men	Protecting Employee Rights and Interests
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Protecting Employee 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 Employee Rights and Interests
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Protecting Employee 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 Employee 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 Responsible Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Building a Responsible Supply 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	Guarding the Safety Line
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Guarding the Safety Line

GRI Standard Indicator No.	GRI Standard Indicator	Location/Note
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Providing Premium Services Safeguarding Delivery Security
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 2025 in SF.
417-3	Incidents of non-compliance concerning marketing communications	There were no breaches involving marketing communications in 2025 for SF.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ensuring Information Security Key Performance Indicators
Circular Economy		
3-3	Management of material topics	Advancing Circular Economy
Green Packaging		
3-3	Management of material topics	Advancing Circular Economy Green Packaging
Environmental Compliance Management		
3-3	Management of material topics	Practicing Green Operations
Rural Revitalization		
3-3	Management of material topics	Contributing to Social Well-being
Social Contribution		
3-3	Management of material topics	Contributing to Social Well-being
Innovation-Driven		
3-3	Management of material topics	Pioneering Intelligent Logistics
Ethics in Science and Technology		
3-3	Management of material topics	Technology Ethics
Supply Chain Security and Resilience		
3-3	Management of material topics	Building a Responsible Supply Chain
Equal Treatment of Small and Medium-sized Enterprises (SMEs)		
3-3	Management of material topics	Building a Responsible Supply Chain
Safe Delivery and Transportation		
3-3	Management of material topics	Guarding the Safety Line
Building a Green and Intelligent Industrial Chain		
3-3	Management of material topics	Developing Green Logistics Pioneering Intelligent Logistics

Air Freight & Logistics 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	Developing Green Logistics Key Performance Indicators
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (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	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	TR-AF-430a.2	Not Applicable
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	Discussion and Analysis	TR-AF-430a.3	Occupational Health and Safety Management
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	Discussion and Analysis	TR-AF-540a.1	Guarding the Safety Line
	Number of aviation accidents	Quantitative	TR-AF-540a.2	Key Performance Indicators
	Number of road accidents and incidents	Quantitative	TR-AF-540a.3	Key Performance Indicators

Table. Activity Metrics

Activity Metric	Category	Code	Location
Revenue ton kilometres (RTK) for: (1) road transport and (2) air transport	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

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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