中國外運股份有限公司
SINOTRANS LIMITED

Stock Code: 00598HK 601598SH



2025
Environmental, Social and Governance Report

CUSTOMERS' SUCCESS OUR ACHIEVEMENT

About the Report

The Report is the 12th Environmental, Social and Governance Report (hereinafter referred to as the "Report") published by Sinotrans Limited (hereinafter referred to as "Sinotrans" or the "Company"). The Report aims to objectively and fairly reflect the strategy, practice and performance of Sinotrans in respect of issues related to environmental protection, social responsibility, corporate governance, and to systematically respond to the expectations and concerns of stakeholders.

Reporting Scope

The Report covers the same scope as the 2025 Annual Report of the Company. The Report covers the period from 1 January 2025 to 31 December 2025 (hereinafter referred to as the "Year" or the "Reporting Period") and certain contents may reasonably be traced back and extended in order to maintain the completeness, consistency and comparability of the information. Unless otherwise specified in the Report, the relevant data covers Sinotrans and its subsidiaries/units within the scope of the consolidated financial statements of its Annual Report (hereinafter referred to as the "Group").

Basis of Preparation

The Report has been prepared primarily in accordance with the *Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)* 《上市公司自律監管指引第14號——可持續發展報告(試行)》 issued by the Shanghai Stock Exchange (hereinafter referred to as the "SSE") and *Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited — Environmental, Social and Governance Reporting Code* of the Stock Exchange of Hong Kong Limited (hereinafter referred to as "SEHK").

The following basic principles are adopted during the preparation of the Report:

Materiality: The Group carries out double materiality assessment by consulting with stakeholders about their concerns and expectations in terms of the Group's ESG issues, and the Board of Directors identifies the significant impact of relevant issues on investors and other stakeholders.

Quantitative: Where applicable, key performance indicators should be quantifiable and disclosed, with targets to reduce individual impact, so that the benefits of ESG policies and management systems can be assessed and verified.

Balance: The Report aims to present the Group's ESG performance in an unbiased manner so as to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency: The Report uses consistent disclosure statistics methods to enable meaningful comparisons of ESG data.

Data and Information

The data and information contained in the Report include official documents, internal data and statistics of the Group, stakeholder questionnaire, publicly available information and third-party surveys and interviews, etc. The financial data involved in the Report is consistent with those in the Group's 2025 Annual Report. If there is any discrepancy in the data, the annual report shall prevail. Unless otherwise stated, all currency amounts involved in the Report are presented in RMB.

Reader Access Models

The Report is published in electronic form in Simplified Chinese, Traditional Chinese and English, and the Simplified Chinese version shall prevail in case of any discrepancy. Readers and all stakeholders can access the Report at the Group's official website (www.sinotrans.com), the website of SSE (www.sse.com.cn) and the website of the SEHK (www.hkexnews.hk).

Reliability Assurance

The Report was approved by the Board of Directors of Sinotrans on 30 March 2026. The Board is responsible for the authenticity and validity of the information contained herein, and guarantees that the information contained in the Report does not contain any false representations, misleading statements or material omissions.

Feedback from Readers

If you have any comments or suggestions about the Report, please contact the Company through the following channels.
Address: China Merchants Plaza Tower B, Building 10, No.5 Anding Road, Chaoyang District, Beijing
Email: ir@sinotrans.com



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Message from the Board

Dear shareholders, customers, business partners and all our stakeholders,

In light of profound adjustments in the global supply chain landscape and the surging trend of climate transition, China's economy showed strong resilience in "seeking progress while maintaining stability". Sinotrans has always deeply integrated ESG philosophy into its strategic layout and business practices, breaking through challenges with reform, and empowering with digital intelligence and green initiatives to resolutely advance high-quality development. Through this Report, the Board of Directors, on behalf of Sinotrans Limited, aims to present our actions and commitments in sustainable development.

▲ Expanding global presence, we are connecting world markets with efficient services

In the face of global supply chain restructuring challenges, we fully leveraged our comprehensive service advantages in water, air, rail, and road transport to build a multimodal transport system, providing strong support for supply chain security, stability, and resilience. In water transportation sector, we further enhanced full-chain service capabilities. In air transportation sector, we developed full-chain logistics services to North America, Europe, and other regions. In land transportation sector, the cumulative shipment volume of international railway expresses surpassed 2 million TEUs. In road transportation sector, we released the "Bay Area Cross-border Green Express (灣區跨境綠運通)" product, enabling normalized operation of new energy vehicles between Shenzhen and Hong Kong. The global network layout continued to improve, and overseas capabilities were constantly enhanced. We successfully completed major projects such as the transportation for the construction of the China Pavilion at the Osaka Expo and the Saudi AGA wind power transportation project, supporting Chinese brands in their global expansion.

▲ Empowered by digital intelligence, we are driving industrial upgrading through technological innovation

Technological innovation is the core driving force for high-quality development. We comprehensively advanced digital transformation, integrated resource elements across the entire chain, and promoted the transition of business towards digital intelligence. Smart logistics innovation yielded fruitful results. Comercialized autonomous driving mileage accumulatively exceeded 3.5 million kilometers, the "Intelligent Port" at Jiangmen High-Tech Port was successfully implemented and the "1+N" fleet autonomous driving solution was explored. Six new smart warehouses were added, and Sinotrans commenced operations of its first smart warehouse in Europe. We hosted the first "Yunyao Cup" (運曜杯) AI Application Innovation Competition and the "AI + Customs Affairs" Skills Competition, and launched the "Smart Link Customs" product, initially forming an "AI+" ecosystem. Through technology empowerment, we enhanced end-to-end efficiency and risk control, contributing to cost reduction and efficiency improvement across the industry

▲ Guided by a 'green-first' approach, we are leading industry development with low-carbon practices

We resolutely practice the "dual carbon" commitment with green logistics solutions. The Company released *the Sinotrans Green Logistics White Paper (2025),* and participated in the formulation of 4 national and industry standards cumulatively, setting a benchmark for the industry's green development. We established five carbon-neutral logistics parks, completed 18 carbon-neutral projects, and upgraded and iterated the carbon management platform to achieve full coverage of organizational carbon statistics. The carbon footprint calculator obtained both GLEC3.2 and ISO 14083:2023 certifications, achieving full coverage of logistics business carbon calculation, and achieved a "double drop" in total carbon emissions and intensity of our own operations.



▲ Carrying responsibilities, we are practicing the mission of central enterprises through ethical business

We consistently uphold the tenet of "customers' success, our achievement". We supported customer development with end-to-end supply chain solutions. The "Disaster Relief Express (災急送)" emergency logistics platform activated 50 emergency responses, delivering over 390 tons of relief supplies to multiple disaster-affected areas, establishing vital lifelines for life rescue. We organized the "Borderland Youth's Dreams Coming True in Beijing" public welfare study tour and the "C Me Fly Overseas Logistics Exploration Camp for Young Minds" activities, building bridges of communication with public welfare power and fulfilling our responsibilities as a global corporate citizen.

In 2025, Sinotrans was ranked first in global sea freight forwarding and fifth in air freight forwarding by virtue of its solid professional capabilities. It was awarded the highest rating A by the SSE for five consecutive years, and a number of practices were selected as national-level exemplary cases. These achievements are the result of the concerted efforts of all our employees which shows the reignition from all the markets. The dream lofty, the journey long – bold strides will get us there. Standing at the opening year of the "15th Five-Year Plan", Sinotrans will remain anchored to the course of high-quality development, pursue reform with determination, uphold principles while fostering innovation, and continue to build a more resilient global supply chain service system. We look forward to working hand in hand with partners from all sectors to paint a promising picture of high-quality and sustainable development with the pen of logistics, contributing solid Sinotrans strength to the advancement of Chinese-style modernization!

Board of Directors of Sinotrans Limited
March 2026



I. About the Group

(I) OVERVIEW

1. Corporate Profile



Sinotrans was incorporated on 20 November 2002, and was listed on the SEHK in February 2003 (Stock Code: 00598) and listed on the Shanghai Stock Exchange in January 2019 (Stock Code: 601598). Sinotrans is a subsidiary and the unitary logistics platform and brand of China Merchants Group Limited ("China Merchants").

Focusing on customer needs and industry trends, the Company keeps improving its global service network and logistics resources, and is committed and devotes itself to providing customers with end-to-end supply chain solutions and services covering the whole process. By virtue of its professional logistics capability, according to the latest list released by Armstrong & Associates, Inc. in 2025, Sinotrans ranked first in the world in terms of sea freight forwarding, and fifth in the world and first in Asia in terms of air freight forwarding.

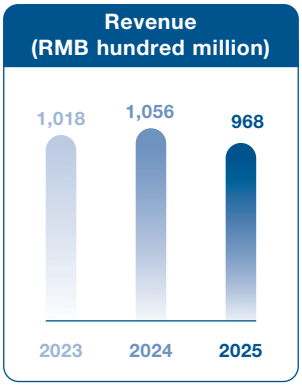
Across evolving market dynamics and economic fluctuations, we have always maintained unwavering dedication to responsible operation and ethical business practices. While expanding our operational footprint, we prioritize sustainable development as an integral component of our corporate development strategy. In this connection, ecological and environmental protection, social responsibility fulfillment and corporate management enhancement are implemented throughout our business chain. Through continuous refinement of the management system and deepening of practice, we are pioneering innovative pathways to achieve holistic high-quality growth of the Company.

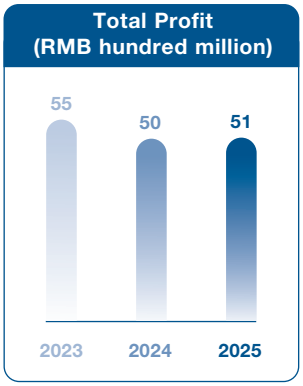
2. Principal Business

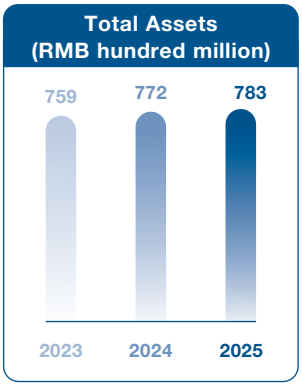
In order to meet the diversified needs of its customers, Sinotrans integrates its strengths in transportation capacity and resources consolidation capability, actively promotes technological innovation and business model innovation, and develops the "new carrier" model in a comprehensive manner to provide customers with customized professional logistics solutions and integrated supply chain logistics services covering the whole process. The Company has formed three core business segments, namely logistics, forwarding and related business, and e-commerce business.

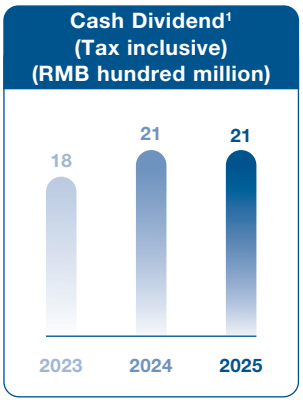
(II) KEY PERFORMANCE

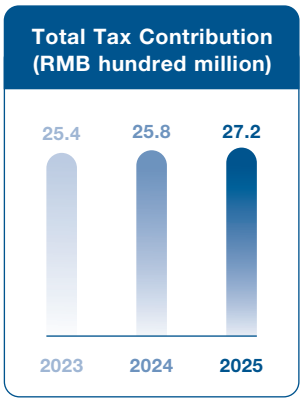
1. Economic Performance



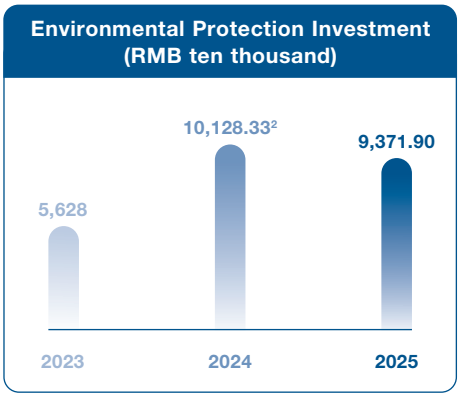


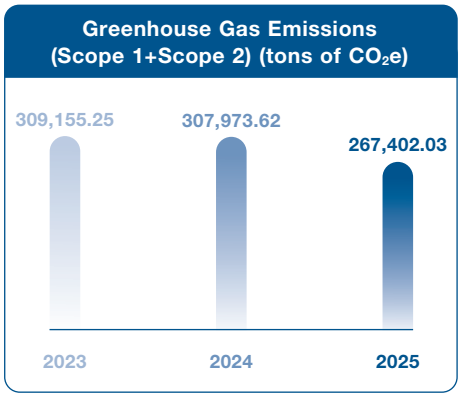






2. Environmental Performance

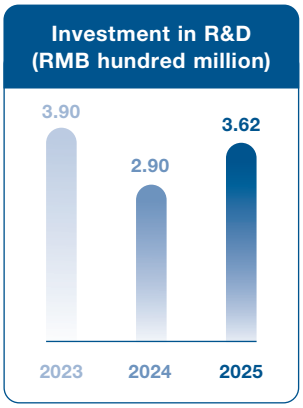


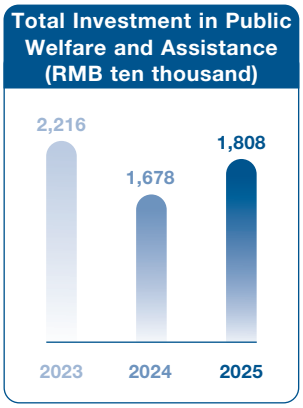


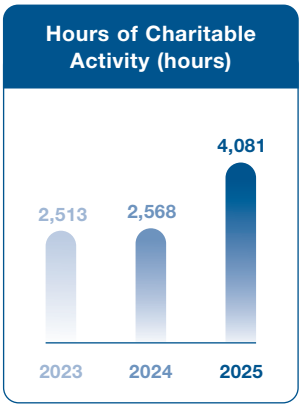
[1] Dividends actually distributed by the Company during the Reporting Period.

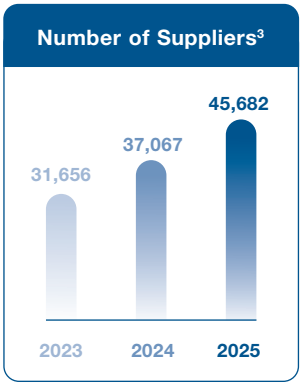
[2] The increase in environmental protection investment in 2024 was mainly for new energy equipment upgrading and technological renovation.

3. Social Performance

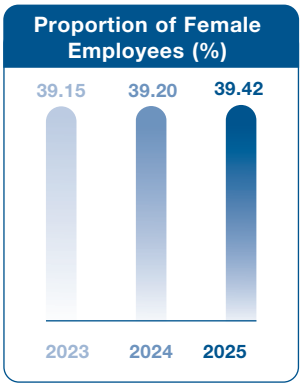


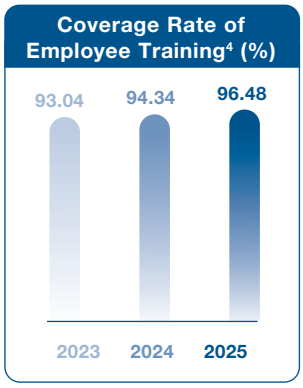




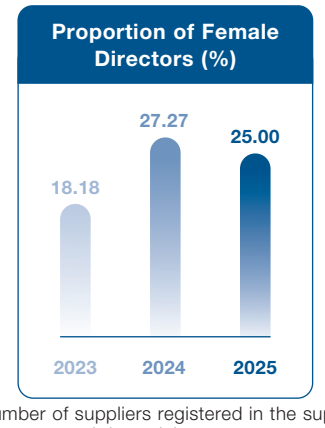


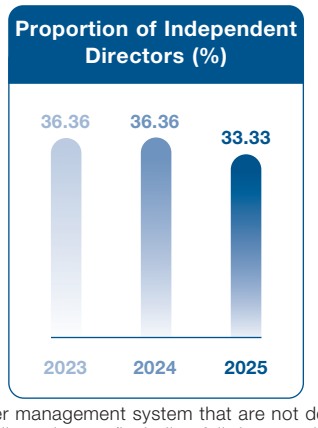


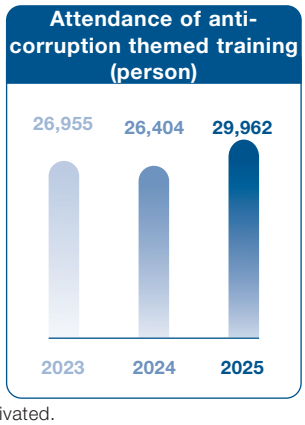




4. Governance Performance







[3] Represents the number of suppliers registered in the supplier management system that are not deactivated.

[4] The statistical scope covered the training coverage rate of all employees (including full-time employees, part-time employees and dispatched employees).

(III) HONORS

Carbon Disclosure Project (CDP) **B Rating**[5]

Awarded **AA** in Wind ESG rating

Shanghai Stock Exchange awarded the **highest rating A** for the fifth consecutive year



2025 CFLP Scientific and Technological Progress Award – First Prize



2025 Logistics and Supply Chain Industry “AI+” Application Scenario Challenge – Second Prize



The 6th China Artificial Intelligence Competition – Embodied Intelligence Application Innovation Case Selection Competition – Grade A



The 6th China AI Competition – Embodied Intelligence Application Innovation Case Evaluation – Grade A



2025 GuanCha.cn ESG “Model Company” - Best ESG Practice Award



Chinese Association of Listed Companies “Best Practice of Sustainable Development of Publicly Listed Companies in 2025”



Chinese Association of Listed Companies “Best Practice of the Board of Directors of Publicly Listed Companies in 2025”



Chinese Association of Listed Companies “Best Practice of the Office of the Board of Directors of Listed Companies in 2025”



Securities Times “Tianma Award” for Investor Relations Management and Shareholder Return



SASAC “Top Ten Warm Moments of Central Enterprises in 2025”



51job, Inc. “2026 Top Employers”



51job, Inc. “Top Human Resources Management Awards”



ZTE “Best Service Support Award” of the Year



SANY Logistics 2025 “Strategic Partner of the Year”

[5] CDP rating (B Rating) at the forefront of global logistics enterprises, surpassing the average global rating (C Rating).

II. Highlights of the Year

(I) HIGHLIGHT I: SMART LOGISTICS — AI AS A NEW ENGINE FOR SUSTAINABLE DEVELOPMENT

Against the backdrop of the accelerating integration of the digital economy and green low-carbon transition, Sinotrans remains committed to innovation-driven, high-quality development. The Company is actively advancing the deep integration of artificial intelligence with its logistics operations, continuously building an "AI + Logistics" smart logistics system. Through the systematic reconstruction of core business processes, the Company has further enhanced operational efficiency and risk control capabilities. While supporting energy conservation and emissions reduction, the Company continues to create value for the society, the employees and the customers, injecting strong momentum into its sustainable development.

Environment (E): Driving Green and Low-Carbon Operations with Intelligent Processes

Sinotrans systematically optimizes logistics operation processes through AI technology to achieve the synergistic attainment of efficiency improvement and emission reduction targets.

In the field of container processing, the Company applies AI container inspection technology, achieving intelligent inspection of container damage and remote inspection through image recognition, with inspection efficiency increased by 50% compared to the traditional model. This technology significantly improves turnover efficiency, effectively reducing logistics costs and indirectly reducing carbon emissions generated by unnecessary turnover. At the same time, AI algorithms are used to optimize container truck scheduling, reducing empty loading and waiting time, thereby lowering fuel consumption and greenhouse gas emissions.

In the documentation processing, systems such as Customs Clearance Connect (報關通) and Documents Hub (單證通) enable intelligent identification and structured processing of multiple types of transport documents, promoting the paperless operation of business processes and continuously reducing resource consumption and environmental impact.

Social (S): Enhancing Employee Value and Customer Experience with Human-Machine Collaboration

Sinotrans focuses on empowering employee growth and optimizing customer service through AI, thereby continuously improving the professionalism and accessibility of its logistics services.

Employee level

AI applications effectively reduce the dependence of certain positions on high-intensity professional experience. Taking AI container inspection as an example, relevant technology significantly shortens the training cycle for inspectors, greatly compressing the original cultivation process of more than 6 months, which helps improve position adaptation efficiency. Intelligent tools such as the port and shipping customer service assistant effectively undertake high-frequency and repetitive consultations, allowing employees to focus on more professional and value-added work, promoting human-machine collaborative development.

Customer level

AI significantly improves service efficiency and experience. The vessel information query application shortens the query time to seconds, with manual operations reduced by more than 90%, and the 7×24-hour online customer service assistant continuously improves service accessibility and response efficiency, providing customers with more convenient and stable service support, and enhancing customer satisfaction and trust.

Governance (G): Enhancing Management Efficiency Through Intelligent Risk Management and Data-Driven Approaches

Sinotrans uses AI to continuously improve the intelligence level of risk prevention and operational decision-making.

Relying on applications such as the smart firefighting assistant, the Company builds a systematic safety knowledge base to provide intelligent guidance for risk investigation and hazard identification, enhancing the professionalism and foresight of safety management. In the area of business compliance, the intelligent document review auxiliary system supporting AI container inspection can automatically verify compliance, increasing document review efficiency by 50% and effectively reducing human errors and compliance risks.

At the operational decision-making level, from documentation processing to customer service, AI is driving multiple business processes towards automation and intelligence. The USD fund management assistant provides precise exchange rate trend predictions through AI models, offering scientific analysis and decision support for management, further demonstrating the value of data-driven decision-making in enhancing governance efficiency.

Case **Sinotrans hosted the inaugural "Yunyao Cup" (運曜杯) AI Application Innovation Competition**

In 2025, Sinotrans hosted the inaugural "Yunyao Cup" (運曜杯) AI Application Innovation Competition, aiming to "stimulate innovation, empower business, and cultivate talent". The competition focused on two major tracks: AI innovation scenarios and AI agents, attracting hundreds of participating teams from various departments of Sinotrans headquarters and second-tier units. A wide range of solutions combining strong practicality with innovative value emerged from the competition.

"AI + Intelligent Slotting" achieves dynamic matching of container stacking and operation needs through algorithms, reducing costs, increasing efficiency, and improving the front-line operation experience. Agents such as the "Sinotrans Digital Shipping Team" and "Cross-border Data Compliance Assistant" cover scenarios such as intelligent contract review and after-sales processing, integrating technology with business needs to create practical digital tools.

This competition empowers the logistics industry to improve quality and efficiency through AI innovation, accelerates the cultivation of new quality productivity, and lays a solid foundation for the intelligent transformation and high-quality development of the logistics industry.



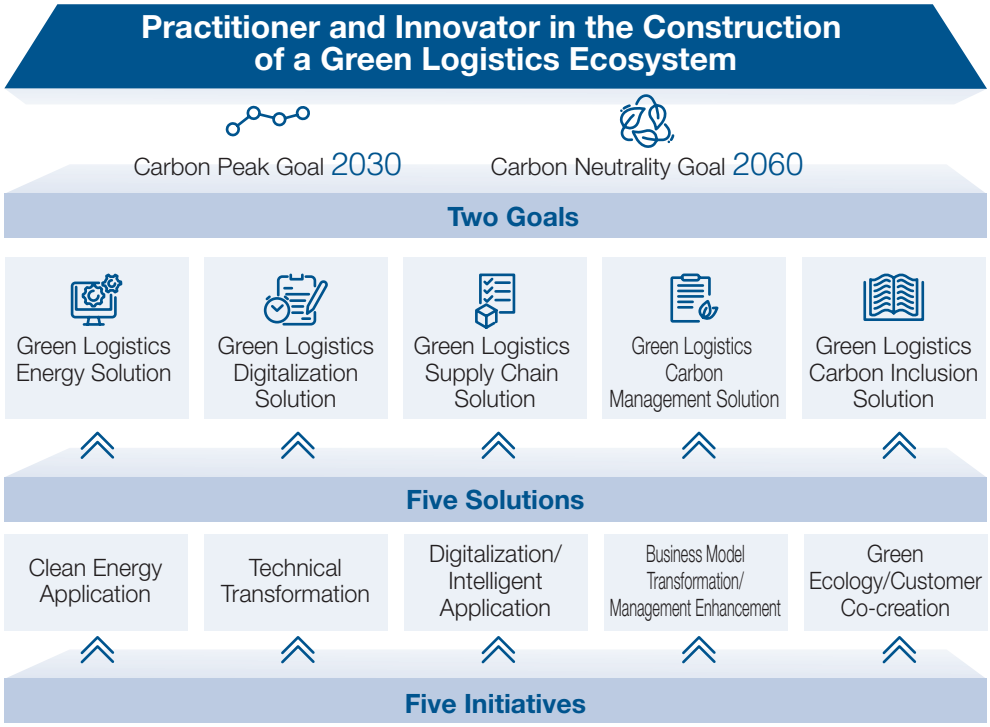
(II) HIGHLIGHT II: GREEN LOGISTICS — DUAL-CARBON STRATEGY AND ECOLOGICAL CONSTRUCTION

Under the trend of green transformation in the logistics industry, Sinotrans is committed to becoming a "practitioner and innovator in the construction of a green logistics ecosystem". The Company actively explores the application of green logistics technology and the innovation of business models, deeply integrating green technology with diverse scenarios such as transportation, warehousing, and parks, and continuously promoting the green and low-carbon transition of business operations. Focusing on customer needs and industry trends, Sinotrans continues to improve green logistics solutions and provide high-value-added integrated green logistics services. While proactively advancing its own "dual carbon" objectives, the Company also supports customers in achieving decarbonization across their value chains, collaboratively promoting industry green upgrading and social sustainable development.

Based on the inventory and management of its own carbon emissions, combined with its understanding of industry and social development, Sinotrans has fully integrated carbon peaking and carbon neutrality goals into its medium – and long-term development plans through formulating the carbon peaking and carbon neutrality targets, i.e., achieving carbon peaking in its own operations no later than 2030, achieving a 30% reduction in carbon emission intensity by 2030 compared to 2020 (the baseline year) and striving to achieve carbon neutrality in its own operations no later than 2060.

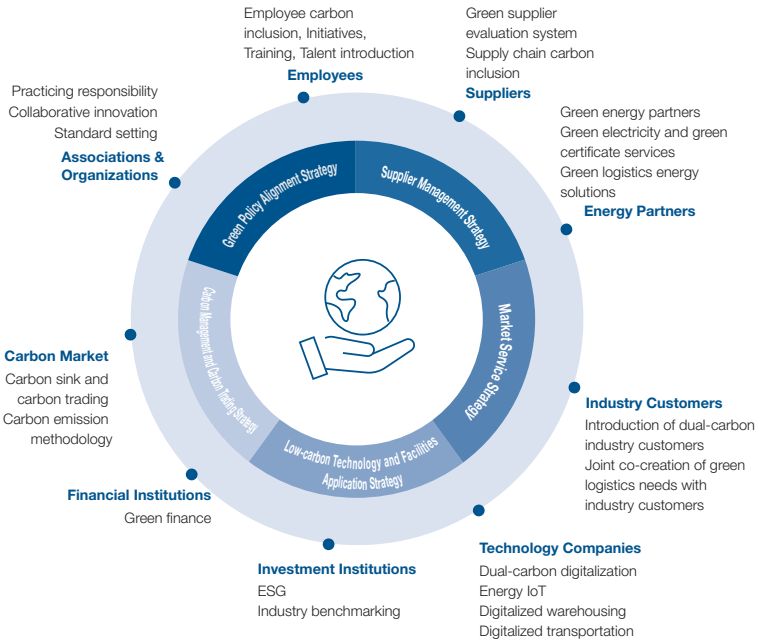
To advance the "dual carbon" goals, Sinotrans published *the Sinotrans Green Logistics White Paper (2025),* outlining a clear development blueprint for its green logistics based on an in-depth analysis of green logistics development trends, and has proposed a practical and business-integrated carbon peaking and carbon neutrality strategic framework. Centered on one vision, two targets, five categories of solutions, and five key initiatives, Sinotrans has formulated its "1+2+5+5" carbon neutrality action plan.

Sinotrans Carbon Peak and Carbon Neutrality Path and System:



Sinotrans overall strategy for the construction of a green logistics value chain ecosystem:

Taking into account the ecological environment goals and social responsibility goals of various stakeholders in the green logistics value chain, Sinotrans incorporates economic value, ecological value, and social value into the scope of green logistics value construction, and establishes a closed-loop green logistics value operation model and mechanism, pursuing the goal of maximizing the ecosystem value of the green logistics value chain.



Case Official launch of "Bay Area Cross-border Green Express (灣區跨境綠運通)" product by Sinotrans in Hong Kong

To facilitate the realization of carbon peaking and carbon neutrality, contribute to coordinated regional development and the building of a modern logistics system, and meet the green development needs of the Guangdong-Hong Kong-Macao Greater Bay Area, Sinotrans launched the "Bay Area Cross-border Green Express (灣區跨境綠運通)" product.

The product's service chain covers network cargo collection, warehousing and distribution, trunk transportation, port customs clearance, hub transit, distribution and delivery, and other processes. Through an operational model combining customized and standardized services, it meets the logistics needs of different types of customers across various industries. Driven by the dual engines of "green and low carbon + digital empowerment", and integrated with the carbon footprint calculator developed by Sinotrans, the product tracks transportation carbon emissions in real-time and optimizes the selection of green transportation capacity and energy replenishment solutions to assist customers in decarbonization, achieving the maximization of economic, ecological, and social benefits; through digital empowerment, it achieves the visualization of the entire transportation process, providing a comprehensive one-stop "end-to-end" logistics experience and injecting new momentum into the prosperity and development of the Guangdong-Hong Kong-Macao Greater Bay Area.





III. Governance for Sustainability

Sinotrans deeply integrates sustainable development into corporate governance and strategic decision-making by building a multi-level governance mechanism led by the Board, coordinated by the management, and implemented by the execution level. Through systematic communication with stakeholders and double materiality assessment, the Company comprehensively identifies key impacts, risks, and opportunities in the environmental, social, and governance fields, and incorporates relevant results into strategic planning and daily management to promote the standardized operation and continuous deepening of sustainable development, laying a solid foundation for the Company's steady operation and long-term value creation.

Topics Covered in This Chapter:
Communication with Stakeholders, Due Diligence

United Nations Sustainable Development Goals:



(I) SUSTAINABILITY GOVERNANCE

Sinotrans always practices the sustainability philosophy, continuously enhances the sustainable development management system, constructs a professional governance structure and a scientific governance mechanism, identifies implications, risks and opportunities related to sustainability through close communication with both internal and external stakeholders, with particular attention to adverse or negative impacts on human rights and the environment concerning the Company and its subsidiaries, and devises a suite of tailored strategic measures, thereby guaranteeing that the sustainability initiatives are executed in a standardised, effective and well-organised fashion.

1. Governance Structure For Sustainability

In a strategic move to amplify the core role of the Board in advancing the Company's sustainable development and to weave sustainability considerations into the fabric of corporate governance, the Company has entrusted the Strategy and Sustainable Development Committee with the responsibility of considering the Company's development strategies from the perspective of sustainability. This initiative has instituted a three-tier governance framework of "decision-making level – management level – execution level" that encompasses the Board and the Strategy and Sustainable Development Committee, the management and the ESG Executive Committee. This framework fosters a synergistic organizational model that vertically unites different tiers and horizontally facilitates functional collaborations, thereby cementing a robust organizational foundation for the Company's sustainable development.



The Board

Composition:	12 Directors, including 4 independent non-executive Directors.
Scope of Responsibilities:	Play a central role in decision-making, responsible for overseeing the assessment of implications, risks and opportunities related to the Company's sustainable development, and for supervising, reviewing and deciding on the Company's sustainable development policies, strategies and objectives.

Strategy and Sustainable Development Committee of the Board

Composition:	5 Directors, including 1 independent non-executive Director, with the Chairman of the Company serving as the chairman of the Strategy and Sustainable Development Committee.
Scope of Responsibilities:	Conduct in-depth analysis and offer strategic direction on the Company's sustainable development, including strategic planning, target objectives, policy directives, and the associated risks and opportunities; responsible for developing and reviewing ESG policies, in alignment with the Company's operational and managerial demands, assessing the effectiveness of the Company's governance and organisational structures, and examining the Company's compliance with laws and regulatory requirements.

The Management

Composition:	Members of the senior management.
Scope of Responsibilities:	Identify and manage material issues, set ESG targets; develop sustainable development work plans; implement decisions of the Board, and serve as the coordinator to promote the implementation of annual sustainable development initiatives.

ESG Executive Committee

Composition:	The President of the Company serving as the director and convener, the Vice President responsible for safety and environmental affairs and Secretary of the Board serving as the deputy director, other members of the senior management and the chiefs of functional departments of the headquarters serving as members of the committee.
Scope of Responsibilities:	Execute sustainable development work plans and take specific measures to achieve ESG targets; develop stakeholder engagement plans, organise stakeholder communication activities; coordinate the preparation of sustainability reports; analyse and organise sustainability-related data and information; report work results to the management.

In order to enhance the professional skills of relevant personnel in the field of sustainable development, the Company carried out ESG training plans and courses in 2025, releasing courses such as *Interpretation of ESG Policies and New Regulations and ESG Information Disclosure Quality Improvement* on the Company's internal training platform.

2. Governance Mechanism For Sustainability

The Company has formulated the *Environmental, Social, and Governance Management Policy*, and established an ESG management framework, defining ESG working principles, organisational responsibilities and outlining procedures for daily management and oversight, thereby ensuring systematic and effective execution of ESG initiatives. The *Procedural Rules for the Strategy and Sustainable Development Committee under the Board of Directors* explicitly requires the Strategy and Sustainable Development Committee to provide professional advice to the Board. The Strategy and Sustainable Development Committee convenes at least one meeting annually to review the annual sustainability report, material issues, key sustainable development work plans and other relevant matters.

To further promote and incentivize sustainable development, the Group has integrated sustainability performance metrics into the corporate-level performance evaluation framework, directly tying them to executive compensation. The overarching sustainability goals are broken down into specific targets and embedded into the annual priorities of both headquarters departments and subordinate units. Performance-based rewards and consequences are applied based on annual reviews, ensuring successful execution of the sustainability objectives.

(II) COMMUNICATION WITH STAKEHOLDERS AND ISSUE IDENTIFICATION

1. Communication with Stakeholders

We recognise the paramount importance of stakeholder opinions and expectations in shaping the Company's business and growth. Consequently, the Group is committed to fostering robust relationships with a diverse array of stakeholders, including customers and investors, suppliers and business partners, employees, government and regulatory agencies, and other stakeholders.

Sinotrans has formulated and implemented systems such as the *Administration Policies on Information Disclosure, the Administration Policies on Investor Relations and the Administration Policies on Market Value Management*, establishing a regular communication mechanism. Through various communication channels, it understands and responds to the demands and concerns of stakeholders, and takes these insights as a pivotal compass for its sustainable development.

Major stakeholders	Focus	Communication channel/ frequency	Response
 Government and regulatory agencies	• Compliant operation • Business ethics • Tax compliance • Pollutant discharge and waste disposal	• Policy implementation/ irregularly • Information disclosure/ irregularly • High-level meeting/irregularly • ESG questionnaires/annually	• Business operation and tax payment in compliance with laws • Contributing to improved local employment rate • Actively promoting poverty alleviation by industrial development • Preventing major safety accidents • Strictly complying with environmental laws and regulations, enhancing environmental initiatives
 Shareholders and investors	• Profitability • Investment return • Corporate governance • ESG governance • Information disclosure	• General meeting/annually • Company announcement/ irregularly • Regular report/quarterly • Results briefing/at least 3 times per year • Roadshow, reverse roadshow/ irregularly • SSE E-interactive/irregularly • Conference and teleconference/irregularly • ESG questionnaires/annually	• Maintaining high-quality business growth • Maintaining cash dividend policy • Enhancing information disclosure level • Continuously improving corporate governance • Organizing various investor activities

Major stakeholders	Focus	Communication channel/ frequency	Response
 Employees	• Safeguard of rights and interests • Occupational health and safety • Remuneration and benefits • Development and training	• Staff representative conference/ annually • Staff activities/irregularly • Staff complaint channel/ irregularly • Staff training/irregularly • ESG questionnaires/annually	• Safeguarding employees' rights and interests according to laws • Providing favourable working conditions and environment • Improving talent promotion and remuneration mechanism • Diversifying training programmes, improving training quality
 Customers	• Quality service • Privacy protection • Safe delivery • Reasonable price	• Satisfaction survey/annually • Customer visit/irregularly • Industry exhibition/irregularly • Business facilitating services/ irregularly • Information disclosure/irregularly • ESG questionnaires/annually	• Providing efficient, reliable and professional logistics services, promptly responding to customers' requests • Applying scientific adjustment and control to ensure the stability and security of services • Establishing privacy protection mechanism for customers
 Suppliers and business partners	• Sustainable sourcing • Integrity • Industry collaboration	• Supplier conference/irregularly • Industry exchange/irregularly • Information disclosure/irregularly • ESG questionnaires/annually	• Promoting transparent sourcing, prohibiting commercial bribery • Strictly performing contracts and agreements • Establishing stable strategic partnership
 Media	• Information transparency • Interaction	• Information disclosure/regularly • Press release/irregularly • ESG questionnaires/annually	• Regularly disclosing major events • Proactively releasing external publicity materials
 Community	• Charitable activities • Rural revitalization • Community development	• Public service activities/ irregularly • Industry support/irregularly • Provision of employment opportunities/irregularly • ESG questionnaires/annually	• Actively carrying out public welfare and charitable activities • Responding to rural revitalization • Participating in community construction

2. Materiality Issue Identification Process

We continue to strengthen the Group's sustainable development management and practice by identifying and managing sustainability-related impacts, risks, and opportunities, and scientifically formulating ESG strategic plans and work measures. In 2025, we identified and updated ESG material issues through a combination of questionnaire surveys and in-person interviews, using a scientific double materiality issue assessment process.

Step 1: Understanding Company Background and Stakeholders

(1) Analyze Company Background

- identify opportunities and challenges faced by Sinotrans in the global market through research on macro environments such as economy, policy, environment, and technology;
- fully understand the industry competition landscape through benchmarking of peer sustainable development management practices to position Sinotrans' sustainability level in the industry;
- understand capital market requirements for corporate sustainability management and information disclosure by combining capital market rating concerns, domestic and international sustainability disclosure standards, and management practice requirements.

(2) Identify Stakeholders

- analyze stakeholder participation methods and concerns;
- identify the Company's main stakeholders; in 2025, a total of 11 categories of main stakeholders were identified.

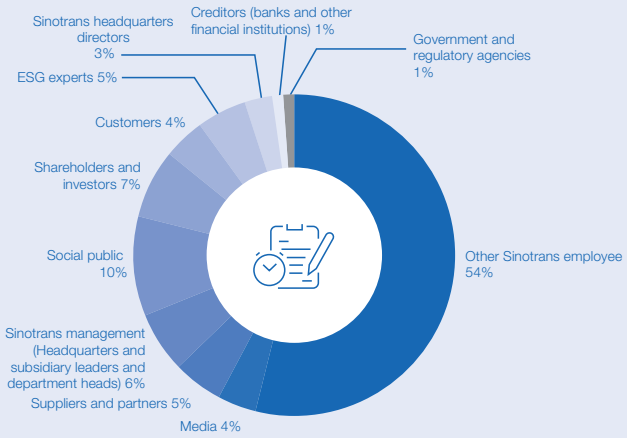
Step 2: Estabushing Issue List

In accordance with the *Guidelines No. 14 for Self-Regulation of Listed Companies – Sustainability Report (Trial)* issued by the SSE and the *Environmental, Social and Governance Reporting Code* as set out in *Appendix C2 to the Rules Governing the Listing of Securities on the SEHK,* and with reference to SDGs and peer issues, as well as a review and update of the previous year's issue list, the Company identified a total of 24 ESG issues to form the 2025 sustainability issue list.

Environmental Dimension (8 items)	Response to climate change	Pollutant discharge	Waste disposal	Energy utilization
	Water resource utilization	Circular economy	Environmental compliance management	Ecosystems and biodiversity preservation
Social Dimension (10 items)	Social contribution	Rural revitalization	Innovation driving	Supply chain security
	Safety and quality of products and services	Data security and privacy protection		Employment and safeguard of rights and interests
	Talent development and training	Occupational health and safety		Equal treatment of small and medium-sized enterprises
Governance Dimension (6 items)	Due diligence	Risk and regulatory compliance		Anti-commercial bribery and anti-corruption
	Anti-unfair competition	Corporate governance		Communication with stakeholders

Step 3: Assessment and Confirmation of Issue Materiality

Stakeholders Participating in the Questionnaire Surveys



(1) Impact Materiality Assessment

- Through questionnaire surveys, stakeholders assessed whether Sinotrans' performance in corresponding issues will have a significant impact on the economy, society, and environment.
- Taking into account its own management capabilities, the Company assigned weightings to different stakeholder groups and established impact materiality thresholds. The Company calculated the aggregated stakeholder scores for each issue and classified issues with scores exceeding the impact materiality threshold as having "impact materiality".

(2) Financial Materiality Assessment

- Through questionnaire surveys and taking into account the likelihood of risks and opportunities and the magnitude of potential financial impacts, the Company assessed whether the relevant issues are expected to have significant impacts in the short, medium, and long term on its business model, operations, development strategy, financial position, operating results, cash flows, as well as financing methods and costs. Different weightings and financial materiality thresholds were established accordingly, and composite financial materiality scores and rankings were generated for each issue. Issues with scores exceeding the financial materiality threshold were classified as having "financial materiality."

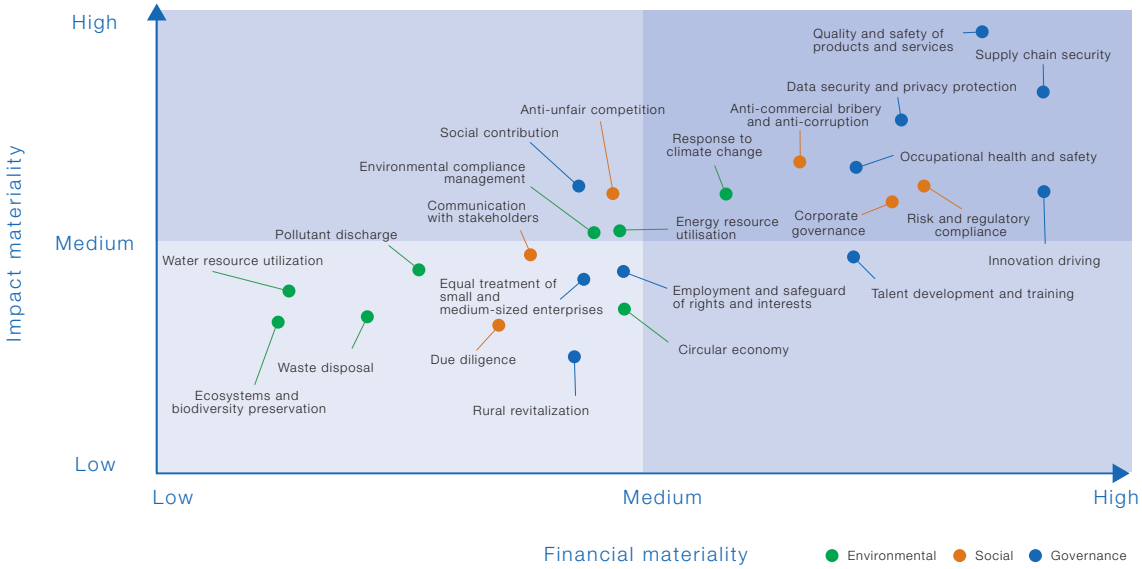
(3) Integrate Impact and Financial Materiality Results

- Following the assessment of the impacts, risks, and opportunities associated with each issue, the Company consolidated the results of "impact materiality" and "financial materiality" for each issue and plotted them in a materiality matrix.

Step 4: Approval of Materiality Conclusion

- The issue materiality assessment results were presented to the Board for review and were confirmed and approved by the Board.

3. Materiality Issue Matrix



	Environmental Issues (E)	Social Issues (S)	Governance Issues (G)
Double materiality (9 items)	• Response to climate change	• Quality and safety of products and services • Supply chain security • Data security and privacy protection • Innovation driving • Occupational health and safety	• Anti-commercial bribery and anti-corruption • Risk and regulatory compliance • Corporate governance
Financial materiality only (1 items)	–	• Talent development and training	–
Impact materiality only (4 items)	Environmental compliance management Energy resource utilization	Social contribution	Anti-unfair competition
General materiality (10 items)	Pollutant discharge Waste disposal Water resource utilization Circular economy Ecosystems and biodiversity preservation	Rural revitalization Employment and safeguard of rights and interests Equal treatment of small and medium-sized enterprises	Due diligence Communication with stakeholders

Issues marked with "•" are considered financially material issues. This report discloses relevant information in accordance with the four-element framework of "Governance – Strategy – Impact, Risks and Opportunities Management – Indicators and Targets."

(III) SUSTAINABLE DEVELOPMENT STRATEGY

Through in-depth communication and comprehensive analysis with stakeholders, Sinotrans has identified key implications, risks and opportunities related to sustainability, which have been integrated into strategic decision-making and business planning, with focus on five key strategies: "compliance governance, green ecosystem, supply chain resilience, employee rights and interests, and social responsibility", designed to lead the Company toward achieving sustainable development.

	Impact on sustainable development[6]					Scope				
Material issue	Economic, environmental and social impact	Impact on business operation and financial aspects	Key risks	Key opportunities	Impact duration[7]	Upstream sectors of the value chain	Business operation	Downstream sectors of the value chain	Main affected groups	Reporting chapter
Corporate governance	●●●○○	●●●●○	A weak corporate governance framework can result in poor decision-making and inefficient allocation of resources, undermining supply chain performance. This, in turn, could hinder the Company's growth prospects and weaken its competitive edge in the market.	Strengthened corporate governance can improve transparency and decision-making efficiency and enhance trust from shareholders and customers, thus boosting business growth and long-term sustainable development.	Long-term		√	√	Shareholders and investors, the Board, the management, employees, customers	Strengthening Governance Capabilities: Building a Foundation for Sustainable Growth
Risk and regulatory compliance	●●●●○	●●●●●	Non-compliance with legal and regulatory requirements could expose the Company to significant financial penalties, legal disputes and tarnished reputation, all of which would threaten the stability of business performance.	By maintaining rigorous compliance practices, the Company can ensure it meets all legal and regulatory standards, bolster its reputation, minimise the chances of operational setbacks, and access new markets that demand high levels of regulatory adherence.	Medium-term	√	√	√	Shareholders and investors, the management, employees, suppliers and business partners, customers	
Anti-commercial bribery and anti-corruption	●●●●○	●●●●○	If corrupt practices are exposed, the Company would face legal punishments, termination of partnership raised by customers and impairment of brand reputation, which could lead to financial loss and decline of market share.	By fostering a culture of integrity and standardising business processes, the Company can boost its credibility and build stronger trust with customers and business partners.	Medium-term	√	√	√	The management, employees, government and regulatory agencies, shareholders and investors, suppliers and business partners, customers	
Communication with stakeholders	●●○○○	●●○○○	A lack of transparency in risk communication with stakeholders and the failure to balance demands of different parties could trigger regulatory scrutiny, investor withdrawal, escalation of labour disputes or public backlash, ultimately weakening the stability of supply chain.	By actively communicating with stakeholders, the Company can build stronger trust, minimise costs associated with policy conflicts, secure financial support and regulatory advantages, and elevate its brand value.	Medium-term	√	√	√	Government and regulatory authorities, shareholders and investors, employees, customers, suppliers and business partners, media, community	
Anti-unfair competition	●●●○○	●●○○○	Resorting to unethical tactics such as malicious low-price competition and defaming competitors could lead to legal punishments and loss of market share.	With fair practices including high-quality services, efficient transportation and innovative logistics solutions, the Company can win long-term support from customers and business partners.	Short-term		√	√	The management, competitors, customers	
Due diligence	●○○○○	●○○○○	Without due diligence, the Company may not identify potential violations in areas such as human rights and environmental issues within its operations, subsidiaries and business partners, which could result in legal punishments, supply chain risk exposure and major reputational crises.	Effective investigations can identify risks in advance, reinforce supply chain resilience, enhance ESG performance and improve brand credibility. With due diligence incorporated in governance practices, the Company can strengthen collaboration with stakeholders and consolidate long-term competitiveness.	Short-term	√	√		The management, shareholders and investors, suppliers and business partners	

6 In respect of "impact", minimal (of no materiality): ●○○○○; little (of no materiality): ●●○○○; medium (of materiality): ●●●○○; great (of materiality): ●●●●○; significant (of materiality): ●●●●●

7 In respect of impact duration, short-term: within 1 year; medium-term: 1-5 years; long-term: over 5 years

Material issue	Impact on sustainable development[6]		Key risks	Key opportunities	Impact duration[7]	Scope			Main affected groups	Reporting chapter
	Economic, environmental and social impact	Impact on business operation and financial aspects				Upstream sectors of the value chain	Business operation	Downstream sectors of the value chain		
Environmental compliance management	●●●○○	●●○○○	Failure to comply with environmental protection laws may result in financial penalties imposed by the government, product recalls or other punishments.	By adopting new energy transportation vehicles, the Company can benefit from government subsidies and green tax incentives, and tap into the low-carbon logistics market while meeting customers' ESG requirements.	Medium-term	✓	✓	✓	The management, employees, government and regulatory agencies, community, customers, suppliers and business partners	Building a Green Ecosystem and Advancing Low-Carbon Development
Response to climate change	●●●○○	●●●○○	Extreme weather events (such as floods and typhoons) may cause damage to storage facilities and disrupt transportation routes, leading to additional repair costs and risks of order delay compensation.	By embracing innovative technologies and building climate-resilient logistics networks to withstand the challenges of climate change, the Company can mitigate the effects of climate disasters and enhance operational resilience and market competitiveness.	Long-term	✓	✓	✓	The management, employees, government, shareholders and investors, customers, suppliers and business partners	
Energy resource utilization	●●●○○	●●○○○	Rising energy costs for traditional fuel-powered transportation vehicles, combined with the pressure of carbon tax policies, are squeezing profit margins.	By driving energy management innovation and adopting energy-efficient transportation vehicles and storage facilities, the Company can reduce energy consumption and operation costs.	Medium-term	✓	✓	✓	The management, employees, shareholders and investors, suppliers and business partners	
Water resource utilization	●●○○○	●○○○○	Mismanagement or excessive water usage could drive up utility bills or harm the environment, resulting in higher operation costs and drawing negative attention from the public.	By introducing circular water treatment technologies to reduce water consumption, the Company can lower operation costs and enhance green warehouse certification credentials.	Long-term	✓	✓	✓	The management, employees, government and regulatory agencies, suppliers and business partners, customers	
Circular economy	●○○○○	●●○○○	Failure to promote a robust circular economy pattern may result in resource waste, increased costs and regulatory risks.	By advancing resource recycling and reuse and boosting green logistics and circular economy pattern, the Company can minimise waste and strengthen its commitment to social and environmental undertakings.	Long-term	✓	✓	✓	The management, employees, suppliers and business partners, customers, government and business partners	
Pollutant discharge	●●○○○	●○○○○	Non-compliance with emission regulations could lead to legal actions, financial penalties or punishments imposed by authorities against the Company.	With strengthened pollutant discharge management and adoption of transportation vehicles powered by clean energy, the Company can build a sustainable brand reputation and cater to the needs for eco-friendly logistics services.	Medium-term	✓	✓	✓	The management, employees, government and regulatory agencies, community, customers	
Waste disposal	●○○○○	●○○○○	Poor waste management may lead to environmental pollution, regulatory non-compliance and tarnished reputation.	The Company can employ cutting-edge waste management and recycling technologies to minimise ecological harm.	Medium-term	✓	✓	✓	The management, employees, suppliers and business partners, government, community, customers	
Ecosystems and biodiversity preservation	●○○○○	●○○○○	If transport paths cross environmentally fragile zones, a lack of adequate safeguards could spark opposition from ecological protection agencies or limit access to funding from global financial organizations.	Adopting environmentally conscious practices helps preserve biodiversity and boosts the Company's reputation in sustainability.	Long-term	✓	✓	✓	The management, employees, government, community, suppliers and business partners, customers	

Material issue	Impact on sustainable development[6]		Key risks	Key opportunities	Impact duration[7]	Scope			Main affected groups	Reporting chapter
	Economic, environmental and social impact	Impact on business operation and financial aspects				Upstream sectors of the value chain	Business operation	Downstream sectors of the value chain		
Innovation driving	●●●●○	●●●●●	Failure to keep up with technological advancements may lead to decreased logistics efficiency and an inability to meet market demands and customer expectations.	By developing and applying cutting-edge logistics technologies, the Company can enhance delivery efficiency and customer service standard, and expand new logistics service pattern and markets.	Long-term	✓	✓	✓	The management, employees, shareholders and investors, customers, suppliers and business partners	
Safety and quality of products and services	●●●●●	●●●●●	Failure to ensure product and service quality may result in customer complaints, legal actions or tarnished reputation.	With safe and reliable transportation services and high-quality, efficient logistics solutions, the Company can enhance customer loyalty and market share.	Long-term		✓	✓	The management, regulatory agencies, customers	
Supply chain security	●●●●○	●●●●●	Poor supply chain management could result in logistics disruptions, higher costs or issues stemming from suppliers' non-compliance with standards.	With improved supply chain management, the Company can ensure business sustainability, mitigate risks and boost both operation efficiency and confidence of business partners.	Long-term	✓	✓	✓	Suppliers and business partners, the management, employees, customers, investors	Innovation Driven Upgrades: Enhancing Supply Chain Resilience
Data security and privacy protection	●●●●○	●●●●○	Data breaches or privacy violations may trigger legal liabilities, erode customer trust and tarnish the Company's reputation.	By strengthening data protection and privacy security measures, the Company can build stronger customer trust and improve its competitiveness in the digital era.	Short-term	✓	✓	✓	The management, customers, regulatory agencies, suppliers and business partners	
Equal treatment of small and medium-sized enterprises	●●○○○	●●○○○	Neglecting equal treatment of small and medium-sized enterprises could result in delayed service responses, loss of cooperation opportunities and legal risks.	Equal treatment of small and medium-sized enterprises enhances their loyalty and willingness to cooperate with the Company, and expands opportunities of new business ventures.	Short-term	✓	✓	✓	Suppliers and business partners, the management, employees	



Material issue	Impact on sustainable development[6]		Key risks	Key opportunities	Impact duration[7]	Scope			Main affected groups	Reporting chapter
	Economic, environmental and social impact	Impact on business operation and financial aspects				Upstream sectors of the value chain	Business operation	Downstream sectors of the value chain		
Employment and safeguard of rights and interests	●●○○○	●●○○○	Neglecting employees' rights and interests could result in labour disputes, employee turnover, compensation payouts and disruptions in customer services.	By establishing a comprehensive mechanism to safeguard employees' rights and interests, the Company can foster a stronger sense of belonging and loyalty among staff, boost unity within the organisation and ensure long-term organisational stability.	Medium-term		✓		Employees, the management, government	Promoting Diversity and Inclusion: Building a Growth-Oriented Organisation
Talent development and training	●●○○○	●●●●○	A lack of effective mechanism for talent cultivation and development could result in loss of technical experts, undermining the Company's ability to innovate and adapt to market changes.	With investment in talent development and regular trainings, the Company can help employees to improve their skills and strengthen its overall competitiveness and innovation capability.	Medium-term		✓		Employees, the management	
Occupational health and safety	●●●●○	●●●●○	Safety accidents in warehouse operations could lead to payouts for workplace injuries, operation halts for corrective measures and higher insurance premiums.	By strengthening occupational health and safety management, the Company can create a better environment, reduce accident rates, and boost employee morale and productivity.	Short-term		✓		Employees, the management, government and regulatory agencies	
Rural revitalization	●○○○○	●●○○○	Not engaging in the rural revitalization initiatives could mean loss of government support and opportunities for rural collaboration.	When participating in rural revitalisation projects, the Company contributes to social development and strengthens its commitment to social undertakings, thus securing support from the government and the community.	Medium-term	✓	✓		Community, the management, suppliers and business partners, government	Fulfilling Social Responsibilities: Building a Better Future Together
Social contribution	●●●●○	●●○○○	Failure to fulfill corporate social responsibilities may result in loss of public trust to the Company's image.	Active engagement in public welfare undertakings and social contribution activities can strengthens the Company's commitment to social undertakings, and boosts brand reputation and market influence.	Long-term		✓	✓	Community, employees, customers, government	



IV. Strengthening Governance Capabilities: Building a Foundation for Sustainable Growth

Sinotrans adheres to high-standard corporate governance as a guide, integrating scientific decision-making, compliant operation, and risk prevention and control throughout the entire process of enterprise development. By continuously optimizing the governance structure, improving its institutional framework, strengthening the performance efficiency of the Board and professional committees, and building a comprehensive risk and compliance management mechanism, the Company continuously improves governance transparency and execution effectiveness, effectively preventing operational risks and laying a solid foundation for high-quality development.

Topics Covered in This Chapter:
Corporate Governance, Risk and Regulatory Compliance, Anti-commercial Bribery and Anti-corruption, Anti-unfair Competition

United Nations Sustainable Development Goals:

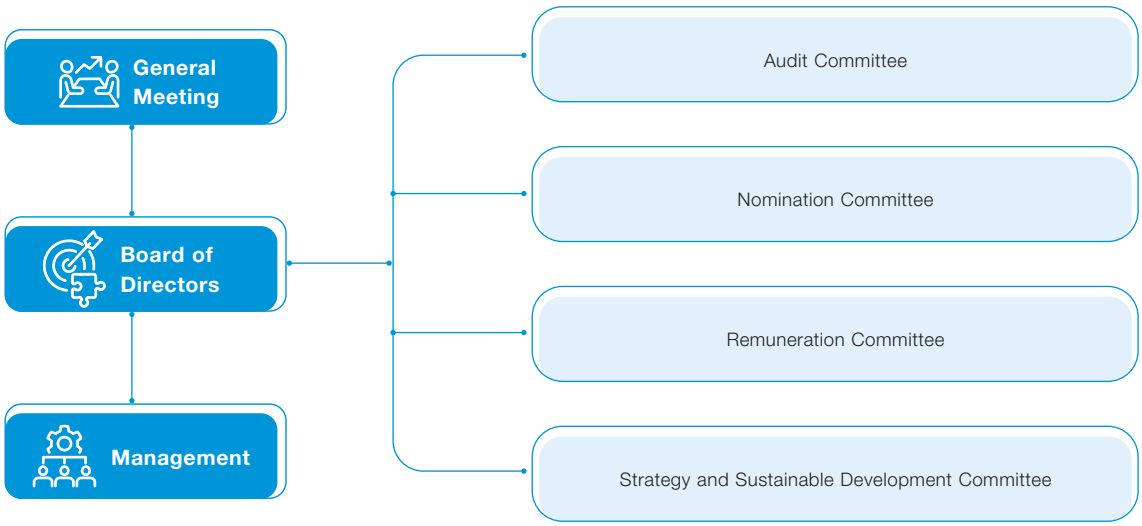


(I) OPTIMIZATION OF CORPORATE GOVERNANCE

1. Corporate Governance Structure Construction

Sinotrans strictly complies with laws and regulations including the *Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the Code of Corporate Governance for Listed Companies*. It has established a corporate governance structure characterized by clearly defined authorities and responsibilities, effective checks and balances, and efficient coordination among the shareholders' General Meeting, the Board, and the Management. Its governance system is underpinned by the *Articles of Association* as the foundation, supported by the rules of procedures for the Board and relevant governance bodies as the framework, and reinforced by management systems covering the authorization of the Board, connected transactions, external guarantees and ESG initiatives. Through institutional safeguards, standardised implementation and effective oversight, it ensures the efficient operation of its institutional systems for corporate governance.

In 2025, in response to the update of laws and regulations and taking into account Company's actual circumstances, as approved by the Gereral Meeting, the Company cancelled the Supervisory Committee, with the Audit Committee of the Board assuming the functions and powers of the Supervisory Committee as stipulated in the *Company Law*, further improving the corporate governance structure. The Company also revised 25 corporate governance rules or requlations such as the *Articles of Association, the Rules of Procedure for the Strategy and Sustainable Development Committee, and the Rules of Authorization Management of the Board*, further strengthening the corporate governance institutional framework and continuously enhancing Company's corporate governance standards[8].



[8] For details, please refer to the section headed "Corporate Governance, Environment and Society (Corporate Governance Report)" of the 2025 Annual Report of the Company.

2. Corporate Governance Strategic Direction

A sound and effective corporate governance system is the fundamental guarantee for a company to achieve long-term stable development and sustainable growth. Based on in-depth research and precise insights into industry dynamics, market trends and internal operational conditions, we have comprehensively and systematically identified a series of key factors, potential risks and emerging opportunities that are crucial for the Company's development.

Category	Risks related to corporate governance	Opportunities related to corporate governance	Corresponding strategy
Strategic decision-making	The external environment is constantly changing. If the Company lacks precise insights into industry development trends and professional and accurate judgment, it is highly likely to deviate from the correct strategic direction, thereby making decisions that are disconnected from the actual market demands.	By accurately capturing industry trends and making science-driven decisions, we can optimise resource allocation, enhance its market competitiveness, and achieve sustainable development.	By forming a diverse, professional, and independent Board of Directors, and through processes such as pre-deliberation by professional committees to provide professional opinions to the Board, the Company ensures that the Board's strategic decisions are scientific and effective.
Governance mechanism	If there are loopholes in the governance mechanisms, it will lead to unscientific decision-making, perfunctory supervision, low execution efficiency and imbalanced incentive mechanisms.	By optimising governance mechanisms, we can enhance the scientificity of decision-making, strengthen supervision and improve execution efficiency, thereby reducing operational risks.	By establishing and continuously improving the corporate governance structure and system of rules, and conducting regular inspections and evaluations, the Company ensures the standardized and efficient operation of corporate governance.
Information disclosure	Timely, accurate and complete disclosure is the foundation for establishing trust between the Company and its stakeholders. Any delay, inaccuracy or omission in the disclosed information can damage the Company's reputation, trigger regulatory investigations, and impede its normal operations and future development.	Establish and improve the information disclosure mechanism, and enhance the timeliness, accuracy and completeness of information disclosure, which may increase market transparency, boost investors' confidence, reduce financing costs, and build a positive market image.	By providing timely, accurate, and effective high-quality information disclosure, and through multi-channel, multi-level, and multi-dimensional investor communication, the Company effectively conveys its value and enhances the attention and recognition of the capital market.

In 2025, the Company continued to improve the corporate governance mechanism, effectively ensured the standardized operation of corporate governance, completed information disclosure work with high quality, continuously carried out capital market communication, and promoted the high-quality development of the Company. In terms of governance mechanism, the corporate governance structure was further improved. Currently, the Board consists of 12 directors with professional backgrounds and abundant practical experience in transportation, commercial strategy, financial management, corporate management, legal compliance, etc., ensuring that the Board can make scientific and effective decisions in a complex market environment. In terms of compliant operation, shareholders'meetings, Board meetings, professional committees and independent directors' special meetings were convened in a compliant and orderly manner to scientifically and efficiently deliberate on major matters such as financial reports, investment projects, company strategy, senior management assessment and remuneration, and timely and effective disclosure was made accordingly. In terms of empowering directors, external directors were organized to carry out cross-regional and cross-business line on-site research to enhance their grasp of the Company's operating conditions and provide assurance for directors to perform their duties efficiently. In terms of investor communication, through holding results briefings, organizing management roadshows and reverse roadshows, and participating in securities firm strategy meetings, investors' understanding of the Company's business and development strategy was enhanced. At the same time, the Company regularly conveyed key issues of concern to investors to the management, strengthening two-way communication between the capital market and the Company.



On 27 March 2025, Sinotrans held its 2024 Annual Results Briefing.



In June 2025, external directors of Sinotrans conducted on-site research on Sinotrans' e-commerce service platform — Y2T and Sinotrans' first green and intelligent port accredited with ISO 14068-1:2023 Carbon Neutrality Declaration Certificate — Jiangmen High-Tech Port, providing suggestions for the Company's digital and green development.

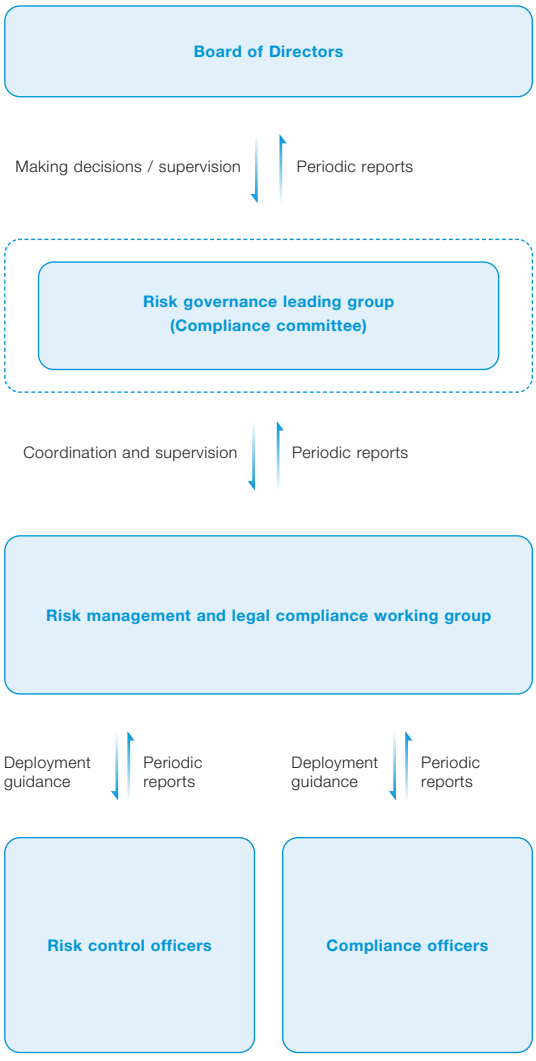
Our goals		Achievement of goals for the year 2025	
Strengthen the construction of the governance system	Deliberate and make decisions	General meetings: 9	Deliberated/heard resolutions: 30
		Board meetings: 16	Deliberated/heard resolutions: 71
		Meetings of the Audit Committee: 6	Deliberated/heard resolutions: 36
		Meetings of the Remuneration Committee: 4	
		Meetings of the Nomination Committee: 6	
		Meeting of the Strategy and Sustainable Development Committee: 1	
		Independent directors' special meetings: 4	
	Governance Bodies	The Board: 12 persons	
		Including: female directors: 3 persons	Representing: 25%
		Independent directors: 4 persons	Representing: 33%
		Independent directors in the Audit Committee: 4 persons	Representing: 100%
		Independent directors in the Remuneration Committee: 4 persons	Representing: 100%
		Independent directors in the Nomination Committee: 4 persons	Representing: 80%
		Independent directors in the Strategy and Sustainable Development Committee: 1 person	Representing: 20%
Enhance the quality of information disclosure	Information disclosure	Draft, review and release information disclosure materials: over 570	
Strengthen investor relations management	Investor relations	Organised/participated in results presentations: 5 presentations Hold management roadshows: approximately 20 roadshows reverse roadshows: 2 roadshows	

(II) STRENGTHEN COMPLIANCE AND RISK MANAGEMENT

1. Governance

Sinotrans continues to promote the construction of a significant risk control system centered on "Seven-in-One", systematically improves the comprehensive risk management framework and the risk management "three lines of defense" mechanism, and promotes the synergistic operation of risk management, internal control, and compliance management, providing solid governance assurance for the Company's steady operation and high-quality development.

Risk control and compliance management organizational structure:



Risk Management Organization

Board of Directors: As the highest decision-making body for the Company's risk management and internal control work, it bears ultimate responsibility for the effectiveness of the relevant system operation.

Risk governance leading group: Composed of all company leaders, with the main person in charge of the Company serving as the group leader and the company leader in charge of risk management serving as the deputy group leader, to coordinate and lead major matter decision-making and promotion in the fields of risk management and internal control.

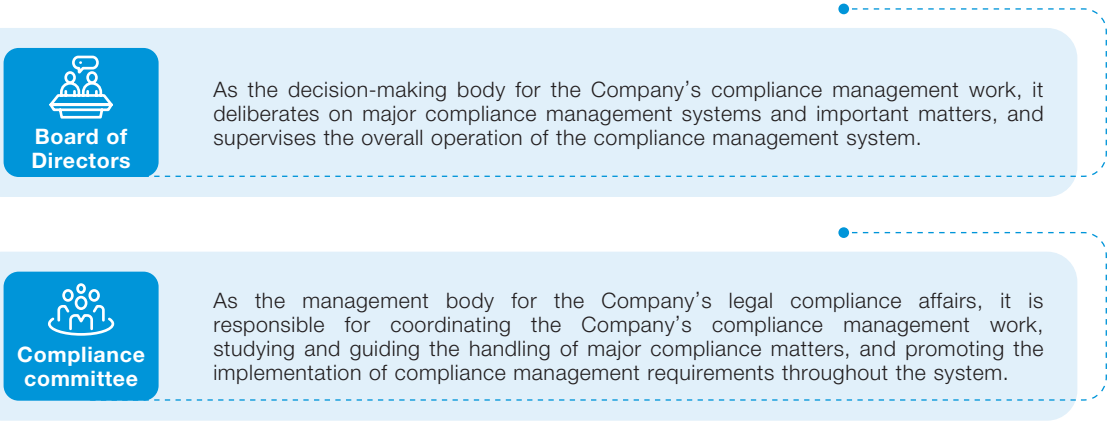
Risk internal control and legal compliance working group: As the daily organization for the Company's risk control and compliance work, it is led by the dedicated principal of the Company as the chief and the principal of the risk management department as the deputy chief. Members include the main persons in charge of various functional departments and relevant staff. The group is responsible for the daily work of risk management (risk identification, risk analysis, risk assessment, claim management), internal control work (the construction and update of the internal control system, as well as the evaluation of the internal control system and the rectification of internal control deficiencies) and compliance management.

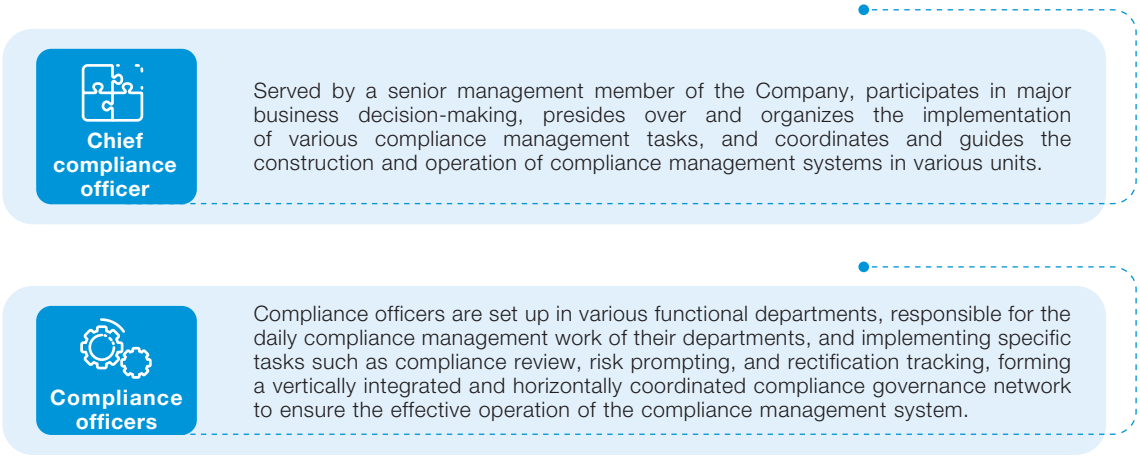
Risk management department/legal and compliance department/audit department: As the leading department for the Company's risk management and internal control work, it is responsible for coordinating the construction and operation of relevant systems.

Various functional departments: Bear the main responsibility for risk management and internal control within their respective management fields, jointly building a governance pattern with clear responsibilities and efficient synergy.

Compliance Management Organization

Sinotrans has established a four-level compliance management organizational system of "Board of Directors — Compliance committee — Chief compliance officer — Compliance officers", with vertical collaboration and horizontal linkage to ensure the effective operation of the compliance management system.





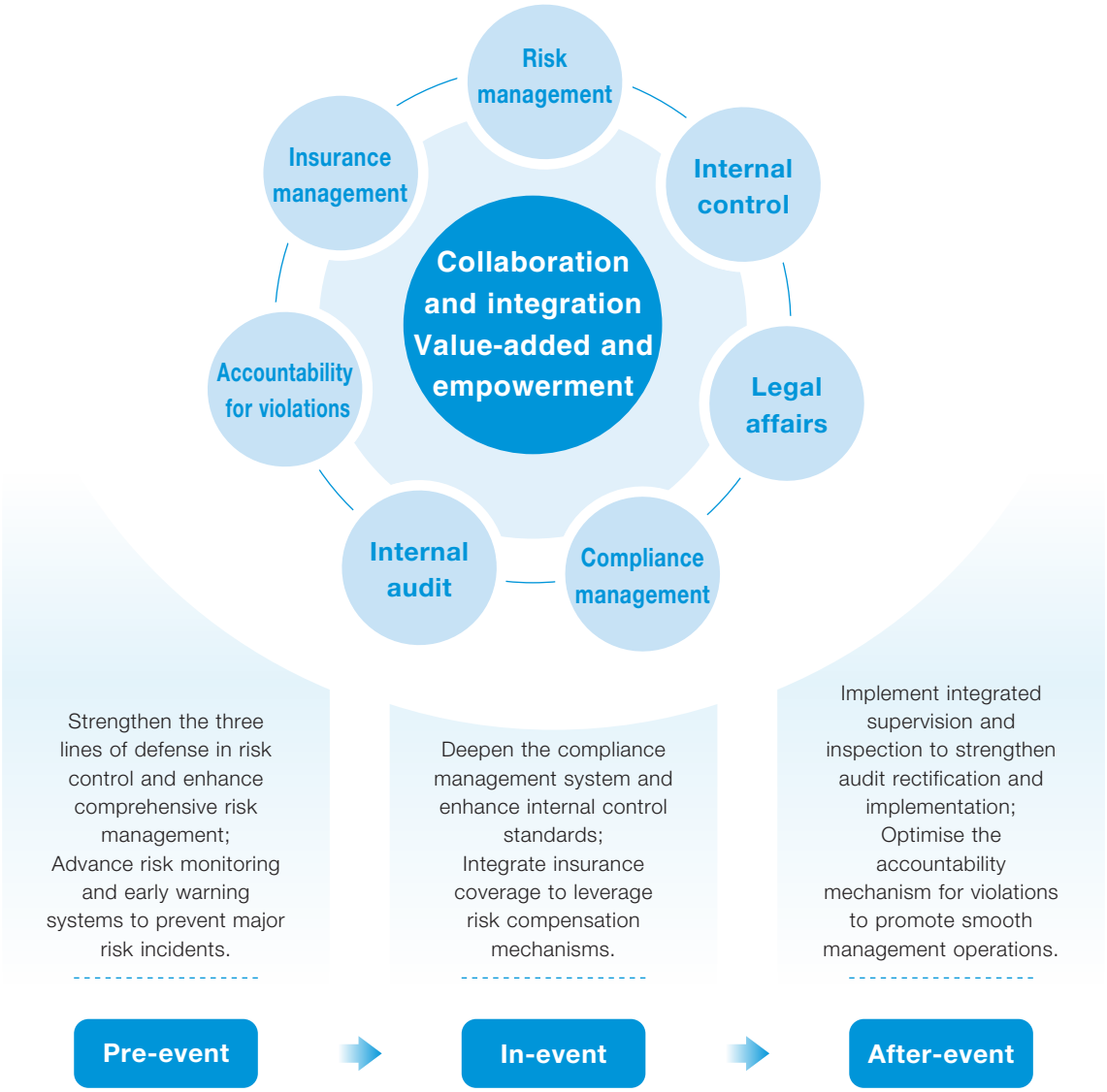
Focusing on risk prevention and control and compliant operation, the Company takes the improvement of management mechanisms as its foundation, and has systematically established and continuously operated a risk management and internal control system covering major decision-making, system management and business execution. (1) In terms of management mechanism and major decision-making control, the Company strictly implements regulations such as the *"Three Importance and One Large" Decision-Making System of Sinotrans*, incorporating legal and compliance review and major risk assessment as mandatory pre-procedures for major decision-making matters. (2) In terms of risk management and internal control system construction, the Company focuses on key aspects such as risk identification, assessment, response, and supervision, and has formulated and continuously implemented the *Management Regulations on Risk Management and Internal Control of Sinotrans, the Management Regulations on Risk Event of Sinotrans, the Rules for Risk Warning and Alert of Sinotrans, the Implementation Measures for Risk Prevention and Control of Customer and Business Partner Cooperation of Sinotrans*, and other system documents, clarifying the system requirements for various types of risk management and internal control, and providing institutional basis for major decision-making matters and key business activities. (3) In terms of system management and execution control, the Company has made clear specifications for the establishment, revision, and abolition processes of rules and regulations as well as online management. Currently, there are 244 effective systems in total, all of which are subject to unified management through the legal platform policy management system. In terms of contract management, through differentiated approval authority settings by level and category, full coverage of contract audit is achieved. The Company systematically sorts out and forms an internal control authority list based on the system to ensure that risk prevention and control and compliance requirements are effectively implemented in various management levels and business processes.

The Company has established a standardized information reporting mechanism, regularly reporting risk, internal control, audit, and compliance management to the Board and the Audit Committee to ensure that the Company's governance bodies comprehensively and timely grasp the risk and compliance operation status.

To effectively implement the primary responsibility for risk management of units at all levels, the Company implements special supervision and assessment for risk management work. Each year, the Company formulates annual risk management special performance assessment indicators covering six aspects including risk control, internal control, law, and compliance, and issues them to each second-tier company for execution. At the end of the year, the Company uniformly carries out work result and quality acceptance evaluation, forming a long-term mechanism of "promoting implementation through assessment and promoting improvement through supervision".

2. Strategy

Sinotrans takes comprehensive risk management as the overall framework, builds a core management system composed of internal control, risk management, and compliance management, and takes legal affairs management, internal audit, and violation accountability as important supports, forming an operation model with clearly defined responsibilities and effective coordination. On this basis, the Company has progressively established and strengthened the "Seven-in-One" daily operation mechanism of risk, internal control, law, compliance, audit, accountability, and insurance, embedding risk management requirements into key processes such as coordinated inspection, risk notification, risk assessment, and risk mitigation, achieving synergistic operation and closed-loop management.



3. Impact, Risks and Opportunities Management

Leveraging its comprehensive risk management system, the Company integrates risk and opportunity management throughout the entire process of strategic decision-making, business operation, and internal control, thereby enhancing the forward-looking nature of risk identification, the systematic approach to risk response, and the effectiveness of risk control, and safeguarding the Company's steady operation and sustainable development.

(1) Building a full-process risk identification and control mechanism

Relying on the comprehensive risk management system, the Company has built a full-process management system covering risk identification, assessment, ranking, monitoring, and response, effectively managing the impact of relevant risks on the Company's operation and sustainable development.

Process Stage	Process Activity
Risk Identification	Combined with domestic and international political and economic situations, changes in the external regulatory environment, and the Company's internal operation and management reality, systematically collect risk information in the operation of various business segments, and continuously update the risk database; at the same time, refer to peer information disclosure, the Company's annual work report, newly added major risk events, and risk assessment results of subordinate units to dynamically improve the risk database and risk list.
Risk Assessment	On the basis of forming the Company's core risk list, prepare a risk assessment questionnaire, with the company leaders and employees at all levels jointly participating in the assessment, comprehensively judging the possibility and impact of risks, and identifying annual major risk matters.
Risk Ranking	According to the assessment results, rank the risks by importance, and clarify key focus and priority control areas. The top ten risks identified in 2025 include: external political and economic risks, overseas business risk, market changes and competition risks, risks associated with product development, operation system risk, strategic management risk, technological innovation risk, credit control and accounts receivable risk, exchange rate fluctuation risk, and cost and expense management risk.
Risk Monitoring	Establish a risk monitoring management system covering the headquarters and subordinate units, systematically build a risk monitoring indicator system, an overseas risk monitoring indicator system, and a monitoring mechanism for potential risk companies and projects, and implement normalized and dynamic monitoring of key risks. The Company, based on the principle of "high relevance, focused priorities, and streamlined effectiveness", has systematically reshaped the risk monitoring indicator system, integrating original major risk monitoring indicators, risk preference system indicators, and key risk monitoring indicators. Covering ten dimensions such as profitability, solvency, market and operation, credit, and liquidity, and taking into account industry characteristics and operational reality, core risk monitoring indicators have been formed and applied to key second-tier companies. Each second-tier company, combined with its own business characteristics, sets risk monitoring indicators in terms of five dimensions: profitability, credit, risk management, compliance, and market and operation risk. Sinotrans tracks various monitoring indicators and risk project improvement plans on a quarterly basis, and timely activates the "light warning" mechanism for any indicator exceeding established thresholds.
Risk Response and Rectification	According to the risk assessment and monitoring results, organize relevant responsible departments to deeply analyze the reasons for threshold breaches, and formulate and implement risk response measures, track the execution effect on a quarterly basis, and continuously promote risk mitigation and rectification closed-loop.

(2) Using digital means to improve risk control efficiency

To improve the timeliness and accuracy of risk management, the Company continues to advance the construction of a digital risk control platform, establishing a digitalized risk management system. Focusing on typical risk control areas such as dual-system compliance in business operations and cooperation with customers and suppliers, the Company has developed corresponding digital solutions and supporting regulations, integrating them deeply into the overall digitalization framework. Through digital means, risk management processes are formalized, risk information collection and analysis capabilities are strengthened, and the ongoing upgrading of risk management concepts, culture, and process standards is promoted, thereby facilitating effective implementation of internal control measures in key risk areas and continuously enhancing the precision and intelligence of risk management.

(3) Consolidating the foundation of risk management through culture development and capability improvement

The Company attaches great importance to building a risk and compliance culture, considering it a key support for improving the effectiveness of risk management. To respond effectively to internal and external environmental changes, enhance employees' awareness of risk and compliance concepts, and strengthen their ideological awareness and practical risk prevention capabilities, and ensure the Company's steady operation, Sinotrans launched the "Year of Strengthening Risk and Compliance Culture" initiative in July 2025. Through a series of thematic activities over the course of a year, the initiative focused on addressing the gradual weakening of risk awareness and compliance culture across organizational levels, significantly enhancing employees' dual accountability for risk and compliance, and promoting a culture in which "everyone observes compliance, and each level ensures implementation".

In 2025, the Company organized a total of 418 compliance training and knowledge dissemination sessions across the system, with over 27,000 cumulative participants. At the headquarters level, monthly "Risk and Compliance Talks" were held, analyzing and warning against typical internal and external risk cases, identifying management issues, and highlighting key risk areas, while simultaneously disseminating risk control knowledge and headquarters' requirements. In addition, the Company continuously educated employees on legal and compliance knowledge, systematically analyzed risk events and typical cases, and conducted five specialized trainings, including the training for all Chief Compliance Officers and compliance officers on "Preventing Dual-System Risks in Daily Operations," further strengthening the risk identification and prevention capabilities of key personnel.

(4) Strengthening systematic identification and control of overseas operation risks

Given the complex and volatile overseas operating environment and the overlap of compliance and operational risks, Sinotrans continuously enhances its overseas risk management and internal control construction to improve the identification and control of overseas business risks. During the Year, the Company further improved the overseas internal control system by systematically reviewing and establishing the "Overseas Risk Control and Compliance Framework" and implementing top-down penetrative management. The headquarters, in collaboration with Sinotrans' overseas operations, carried out a special review covering 37 overseas entities, including units in Southeast Asia, the Middle East Region, Eurasia & Africa Region, Japan, and South Korea. A comprehensive review and sorting of internal control authorities for key management matters and key decision-making matters were conducted, forming internal control authority lists and supporting localized systems for each overseas company, clarifying the red line and bottom line requirements in overseas operations, and ensuring the steady operation of overseas business within the compliance framework.

(5) Strengthening systematic construction and supervision of audit management

In terms of audit supervision execution, in 2025, the Company focused on key areas such as internal control, financial accounting information quality, and fund management. At the same time, the Company strengthened audit coverage of overseas entities, and formulated a three-year audit plan for overseas entities to ensure comprehensive and effective audit supervision.

In terms of audit management system construction, the Company focuses on building a centralized, unified, comprehensive, authoritative and efficient audit supervision system, deepening the "top-down audit" supervision mechanism. The Company has launched audit organization mechanism reform, building a "1 Department, 4 Centers" centralized audit structure to achieve unified management and efficient operation of audit supervision functions. At the same time, the Company carries out internal auditor training every year to continuously strengthen the development of the audit team.

4. Indicators and Targets

Sinotrans incorporates the development of risk prevention and control capabilities and compliance fulfillment into its annual management objectives and performance assessment system. By setting clear management indicators and annual targets, and implementing process monitoring and outcome evaluation, the Company promotes the effective achievement of risk and compliance management objectives. During the Reporting Period, the Company largely completed its special performance assessment targets in risk event control, professional team development, internal control compliance supervision and inspection, and internal control governance.

Management Area	Key Indicator	Annual Target	Achievement in Reporting Period
Risk & Internal Control	Coverage rate of internal control supervision and inspection	In accordance with the new round of internal control supervision and inspection plan for 2025-2026, orderly promote the headquarters' supervision and inspection of second-tier companies	Headquarters conducted and completed internal control supervision and inspection for 8 second-tier subsidiaries, with a coverage rate exceeding 50%
Compliance Management	Coverage rate of compliance management organization	Establish chief compliance officers and compliance officers across all second-tier and core third-tier companies	All 14 second-tier and 34 core third-tier companies have established chief compliance officers; a total of 497 compliance officers have been appointed across the system
	Implementation rate of compliance review for major decision	Chief compliance officers of second-tier companies provide clear compliance opinions on all major decision matters	Upon review and verification, the chief compliance officers of all 14 second-tier companies provided clear compliance opinions on all major decision-making matters within their entities in 2025, with an achievement rate of 100%

(III) BUSINESS ETHICS AND ANTI-CORRUPTION

1. Governance

Sinotrans strictly complies with the *Supervision Law of the People's Republic of China*, the *Regulations on the Punishment of Managers of State-owned Enterprises*, the *Provisions on the Integrity of Executives of State-owned Enterprises* and other national and local laws and regulations on the prevention of corruption, bribery, extortion, fraud and money laundering. It embeds integrity and compliance requirements into the entire process of corporate governance and operation and management, regulates the codes of conduct for the Company and all employees in anti-corruption, anti-bribery, and anti-money laundering, and pays attention to the compliance capability of business partners in legal operation and integrity fulfillment.

The Company continues to improve the anti-commercial bribery and anti-corruption system, successively formulating and implementing system documents such as the *Guidelines for Political Supervision by Discipline Inspection and Supervision Bodies of Sinotrans Limited (Trial)*, the *Opinions of the Discipline Inspection Commission of Sinotrans Limited on Further Strengthening the Coordination of Discipline Supervision and Inspection Tour Supervision (紀律監督和巡察監督)*, the *Regulations on the Discipline Inspection Commission of Sinotrans Limited for Clues and Case Reporting, Regulations on Clarifying and Rehabilitating False Accusations by Discipline Inspection and Supervision Bodies of Sinotrans Limited*, the *Coordination Measures for Party Conduct, Integrity Building, and Anti-Corruption Work at Sinotrans Limited*, and the *Management Measures for Discipline Inspection and Supervision Bodies and Team Development at Sinotrans Limited*, providing stable and standardized institutional support for anti-commercial bribery and anti-corruption efforts.

The Company builds an anti-commercial bribery and anti-corruption governance structure centered on the discipline inspection and supervision system. The Supervision Department (Office of the Discipline Inspection Commission)/ Inspection Office of the Party Committee, as the main organ for ensuring decent workstyle and clean governance and enforcing disciplinary accountability within the Company, undertakes the duties including supervision and inspection, integrity education, disciplinary review, assisting in accountability and liability pursuit, providing case guidance, and conducting inspections. It reports relevant work progress and outcomes to the superior discipline inspection group and the Company's Party Committee, forming a vertically supervision system with clearly defined responsibilities and authority.

2. Strategy

Sinotrans adheres to a working approach that emphasizes compliance with laws and regulations, addresses both symptoms and root causes, and advances efforts systematically. The Company treats anti-commercial bribery and anti-corruption as an important guarantee for its stable operations and sustainable development. Building upon strict adherence to national laws, regulations, and regulatory requirements, the Company focuses on integrating integrity requirements into its corporate governance and operation and management systems, guiding employees and business partners to jointly fulfill their compliance responsibilities in legal operation, anti-corruption, anti-bribery, and anti-money laundering efforts.

Throughout the implementation process, the Company has continuously deepened its education campaigns on combating commercial bribery and corruption, reinforcing discipline awareness and bottom-line thinking. By integrating institutional constraints with educational guidance, it has fostered a long-term mechanism that ensures officials dare not, cannot, and do not wish to engage in corruption, creating a clean and upright business environment conducive to the Company's healthy development.

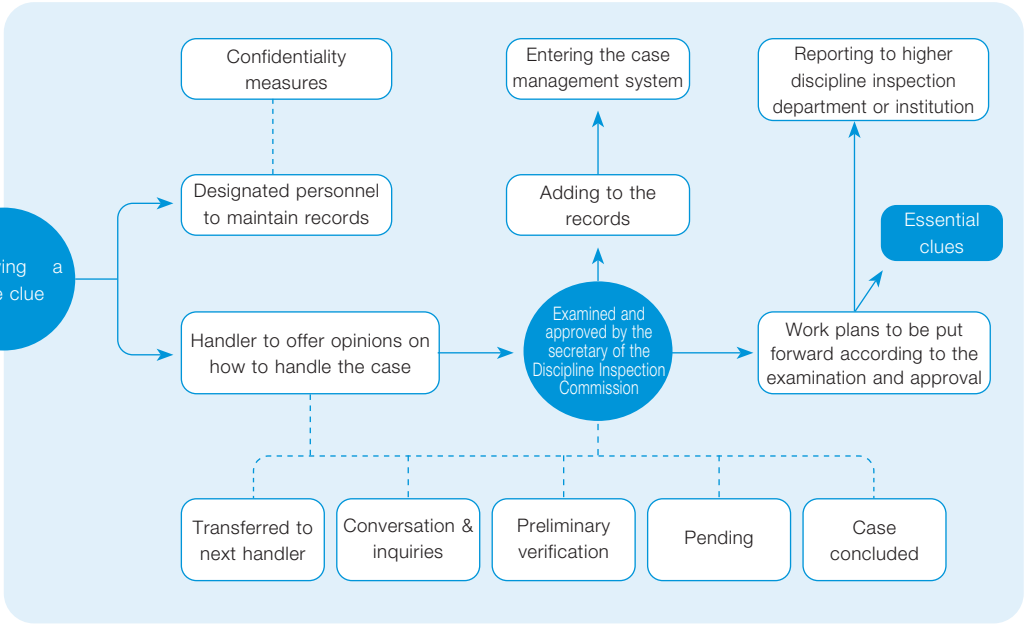
3. Impact, Risks and Opportunities Management

Focusing on potential compliance risks and integrity risks in the areas of anti-commercial bribery and anti-corruption, as well as their impact on corporate governance, credibility, and sustainable operations, Sinotrans systematically identifies and prioritizes risk factors such as corruption and bribery, improper profit-seeking, and abuse of power, while capitalizing on management opportunities brought by improving supervision mechanisms, strengthening integrity culture development, and enhancing governance effectiveness. The Company has established an anti-corruption and anti-bribery management mechanism covering detection, handling, prevention, and improvement, which leverages case-clue management as a key driver, supervision and discipline enforcement as a core tool, and cultural development as a foundational pillar.

(1) Case-clue Management

Sinotrans treats case clues as an important gateway for anti-corruption and anti-bribery risk management, with the Supervision Department (Office of the Discipline Inspection Commission)/Inspection Office of the Party Committee centrally managing, categorizing, and periodically reviewing such case clues. Whistleblowers can report cases through the Company's publicly announced hotline phone number and mailbox, and relevant clues serve as an important basis for supervision, discipline enforcement, and review and investigation. Throughout the clue management process, the Company strictly complies with the provisions of Article 65 of Chapter 8 of the *Supervision Law of the People's Republic of China*, and maintains strict confidentiality regarding the identity information of whistleblowers, clue content, and case-related materials to effectively prevent secondary risks caused by information leakage. Through a standardized and orderly case-clue management mechanism, the Company enhances the efficiency of identifying anti-corruption risks and the standardization of their handling.

Process of handling case clues:



(2) Supervision and Discipline Enforcement Mechanism

In responding to anti-commercial bribery and anti-corruption risks, Sinotrans maintains rigorous supervision and discipline enforcement while sustaining high-pressure oversight. During the Reporting Period, the Company continued to strengthen the deterrent effect of "daring not to be corrupt" through precise supervision and case investigation. At the same time, through video conferences, telephone communication, and on-site exchanges, the Company has enhanced guidance for the disciplinary inspection commissions of its second-tier subsidiaries. In daily supervision and discipline enforcement practices, the Supervision Department (Office of the Discipline Inspection Commission)/Inspection Office of the Party Committee collaborates with key departments such as the Party Committee Office, the Party Committee Organization Department, and the Risk Management Department to strengthen coordinated action, thereby improving the precision and efficiency of clue investigation and case handling, and driving continuous improvement in anti-corruption governance effectiveness.

(3) Integrity Culture Development

Sinotrans has positioned integrity culture development as an important support for anti-commercial bribery and anti-corruption risk management. Through sustained, diverse educational and awareness campaigns, the Company enhances all employees' integrity awareness and disciplinary consciousness, and promotes the formation of a positive atmosphere of "learning integrity, contemplating integrity, and practicing integrity".

Case **Anti-Corruption Advocacy and Education Month**

In May 2025, a system-wide publicity and education activity known as the Month of Corruption Fighting and Integrity Promotion on the theme of "Institutional Integrity, Standardized Integrity, and Disciplinary Integrity" was launched. Through various activities such as group viewings of disciplinary education films, "Integrity Classroom", reading memoirs of officials who violated discipline and laws, delivering integrity-themed Party lectures, promoting the animated series "Discipline Talks to You (紀律話你知)", carrying out theme Party Day activities, organizing symposiums for families of young cadres, and soliciting integrity culture works and AI poster designs, the Company continued to strengthen discipline awareness.

Case **"Focusing on 'Three Transformations' to Improve Capabilities, Learning for Practice to Achieve Practical Results" Learning Week Activity**

On 28 October and from 24 to 28 November 2025, Sinotrans organized a "Learning Week" activity for disciplinary inspection and supervision cadres under the theme "Focusing on 'Three Transformations' to Improve Capabilities, Learning for Practice to Achieve Practical Results". Centered on the practical work of discipline inspection and supervision, the activity adopted a combination of centralized learning and individual self-study, theoretical learning and professional exchange, and warning education and competency assessments to further improve the professional capabilities and performance levels of discipline inspection and supervision cadres.

4. Indicators and Targets

During the year, Sinotrans was committed to securing the achievements of its anti-corruption education and rectification efforts while implementing the spirit of the meetings on integrity building of senior level of the Party and anti-corruption work. Strict supervision and discipline enforcement were maintained, with continuous efforts to intensify anti-corruption measures and uphold a zero-tolerance stance. Through precise supervision and case handling, a high-pressure punishment mechanism has been normalized, ensuring the carders "dare not corrupt". In 2025, no corruption litigation cases against the Group or its employees was recorded.

Our goals	Achievements of our goals in 2025	
Deepening education on combating commercial bribery and corruption	Number of directors who received training on fighting commercial bribery and corruption: **9**	Percentage: **75%**
	Management personnels who received training on fighting commercial bribery and corruption[9]: **3,510**	Percentage: 100%
	General employees who received training on fighting commercial bribery and corruption: **26,450**	Percentage: 99.60%[10]
Achieving both the case clue handling rate and case investigation rate of **100**% for the year.	The case clue handling rate and case investigation rate both reached **100%** for the year.	

(IV) COMBATING UNFAIR COMPETITION

Sinotrans always strictly follows the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China and other laws and regulations*, and has formulated the *Sinotrans Compliance Manual* and the *Sinotrans Compliance Management Measures for Business Partners*. It adopts a zero-tolerance attitude towards any acts of unfair competition, practices industry ethical norms with a high sense of responsibility and mission, and resolutely maintains a healthy and orderly market environment.

In the face of fierce market competition and complex and changeable business environments, we always insist on winning the market with high-quality services, excellent operational capabilities, and innovative business models, and never engage in unfair competition acts such as false publicity, monopoly behavior, and infringement of trade secrets. During the year, by virtue of firm belief and practical actions, the Company had no litigation or major administrative penalty incidents caused by unfair competition behavior.

9 Heads of companies and departments of Sinotrans and its subordinate units.

10 Percentage of general employees who received training on fighting commercial bribery and corruption to the total number of full-time general employees of Sinotrans.

V. Building a Green Ecosystem and Advancing Low-Carbon Development

Sinotrans actively responds to the national “dual carbon” strategy and ecological civilization construction requirements, integrating green development concepts throughout the entire logistics chain. Through strict implementation of environmental compliance management, promotion of low-carbon transportation and green warehousing, improvement of resource utilization efficiency, and strengthening of ecological protection practices, the Company collaborates with upstream and downstream partners to build a green logistics ecosystem, continuously reducing environmental impact and driving the logistics industry toward low-carbon, efficient, and sustainable transformation and upgrading.

Topics Covered in this Chapter:
Environmental Compliance Management, Response to Climate Change, Energy Utilization, Water Resource Utilization, Circular Economy, Pollutant Discharge, Waste Disposal, Ecosystems and Biodiversity Preservation

United Nations Sustainable Development Goals:





(I) COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

1. Enhancing Environmental Compliance Mechanisms

Sinotrans always adheres to legal and compliant operation, treating environmental compliance management as an important foundation for promoting green development and preventing operational risks. The Company strictly complies with the *Environmental Protection Law* of the *People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Regulations on the Administration of Environmental Protection of Construction Projects*, the *Administrative Measures on Filing for the Environmental Impact Registration Forms of Construction Projects* and other relevant laws and regulations. During the Reporting Period, the Company did not experience any major environmental incidents, nor was it subject to major administrative penalties or held criminally responsible by competent authorities such as ecological and environmental departments due to environmental incidents.

The Company continues to improve its environmental compliance system by issuing and implementing the *Measures on Environmental Protection Compliance Management of Sinotrans Limited*, which systematically clarifies the overall requirements, key management priorities, and division of responsibilities for environmental compliance management, providing a regulatory framework for units at all levels to carry out environmental protection and compliance management efforts.

At the same time, Sinotrans has established an environmental non-compliance event feedback and tracking mechanism to implement full-process management of environmental compliance risks and non-compliance matters, and incorporates relevant effectiveness of these management measures into the annual key performance indicator (KPI) assessment system, promoting the implementation of environmental compliance responsibilities at the business units and management position levels, and continuously improving the standardization and institutionalization level of environmental compliance management.

2. Strengthening Risk Identification and Control

Focusing on key areas and critical processes, Sinotrans continues to strengthen environmental compliance process control and risk prevention. During the Reporting Period, the Company organized the preparation of the *2025 Work Plan of Sinotians on the Screening and Rectification of Potential Environmental Risks*, systematically deploying annual environmental risk identification and rectification efforts and establishing 11 key work tasks. For the first time, the Company incorporated the compliance review of documents such as environmental impact assessment reports, emergency plans for environmental incidents, and environmental risk assessment reports into the focus of screening and rectification of potential environmental risks, further strengthening the source control in environmental management.

At the same time, Sinotrans organized and carried out special verification for environmental impact assessment reports, conducting item-by-item reviews of the reports submitted by relevant units. Focusing on the construction process of the main structure and the implementation of pollution prevention measures, a standardized verification checklist was developed. The Company supervised relevant units in verifying actual on-site conditions against this checklist. For any discrepancies identified between approved plans and actual construction, the Company continuously monitored rectification progress, supplemented relevant supporting materials, and urged the implementation of pollution prevention measures to ensure the environmental management of construction projects remained legally compliant.

3. Strengthening Emergency Management Capability

Sinotrans continues to improve its environmental risk identification and risk grading control mechanism, guiding units at all levels to systematically identify environmental factors in production and operation activities through the *preparation and implementation of the Environmental Factor Identification and Environmental Risk Grading Control Guidance Manual of Sinotrans Limited*. This enables scientific environmental risk grading and classification management, clarifies key risks and control requirements, and shifts environmental risk prevention and control from reactive post-event response to proactive preemptive measures. Focusing on the prevention and response to sudden environmental incidents, the Company has formulated and implemented the *Comprehensive Emergency Plan for Sudden Environmental Incidents of Sinotrans Limited*, making unified arrangements for the emergency organization system, response procedures, on-site disposal, and post-incident recovery, providing institutional assurance for the standardized and efficient disposal of various sudden environmental incidents.

Based on its business layout characteristics, Sinotrans fully identifies risks associated with natural disasters. Certain business units of the Company are located in coastal, inland low-lying regions, mountainous zones, northern regions, and offshore areas, potentially facing risks from natural disasters such as floods, typhoons, windstorms and hail, extreme cold and freezing temperatures, snow disasters, sandstorms, earthquakes, collapses, landslides, mudslides, storm surges, and tsunamis. To effectively respond to relevant risks, Sinotrans has established an emergency leading group as the highest leading body for natural disaster emergency response, composed of the Company's principal officer, other senior leaders, and heads of relevant headquarters departments. In particular, the Company's principal officer serves as the general commander for natural disaster emergencies, the leader in charge of relevant fields serves as the deputy general commander, and the Safety and Environmental Protection Department serves as the leading unit to coordinate the implementation of natural disaster emergency management. All subsidiaries continuously monitor and assess natural disaster warning information released by local governments, timely report incidents as required and activate corresponding emergency responses. The affected unit, as the first emergency responder, quickly organizes initial handling. After the disaster risk is controlled, they systematically conclude emergency operations and implement follow-up preventive measures to prevent secondary or derivative incidents.

During the Reporting Period, Sinotrans prioritized enhancing emergency response capabilities as a key component of environmental risk identification and rectification. The Company organized and carried out comprehensive inspections of emergency supplies to ensure their completeness and readiness, while regularly organizing emergency drills to continuously test and improve response efficiency and collaborative handling capabilities. In 2025, all subsidiaries of the Company cumulatively organized and carried out 241 emergency drills for sudden environmental incidents, with 3,684 participants.

Case **A subsidiary of Sinotrans hosted an emergency drill**

In June 2025, a subsidiary of Sinotrans hosted the 2025 Comprehensive Anti-terrorism Emergency Response Drill and Flood Prevention Emergency Drill for Hazardous Chemical Enterprises in Fengxian District, Shanghai, with a focus on testing on-site response capabilities and coordinated command under scenarios such as hazardous chemical leakage.



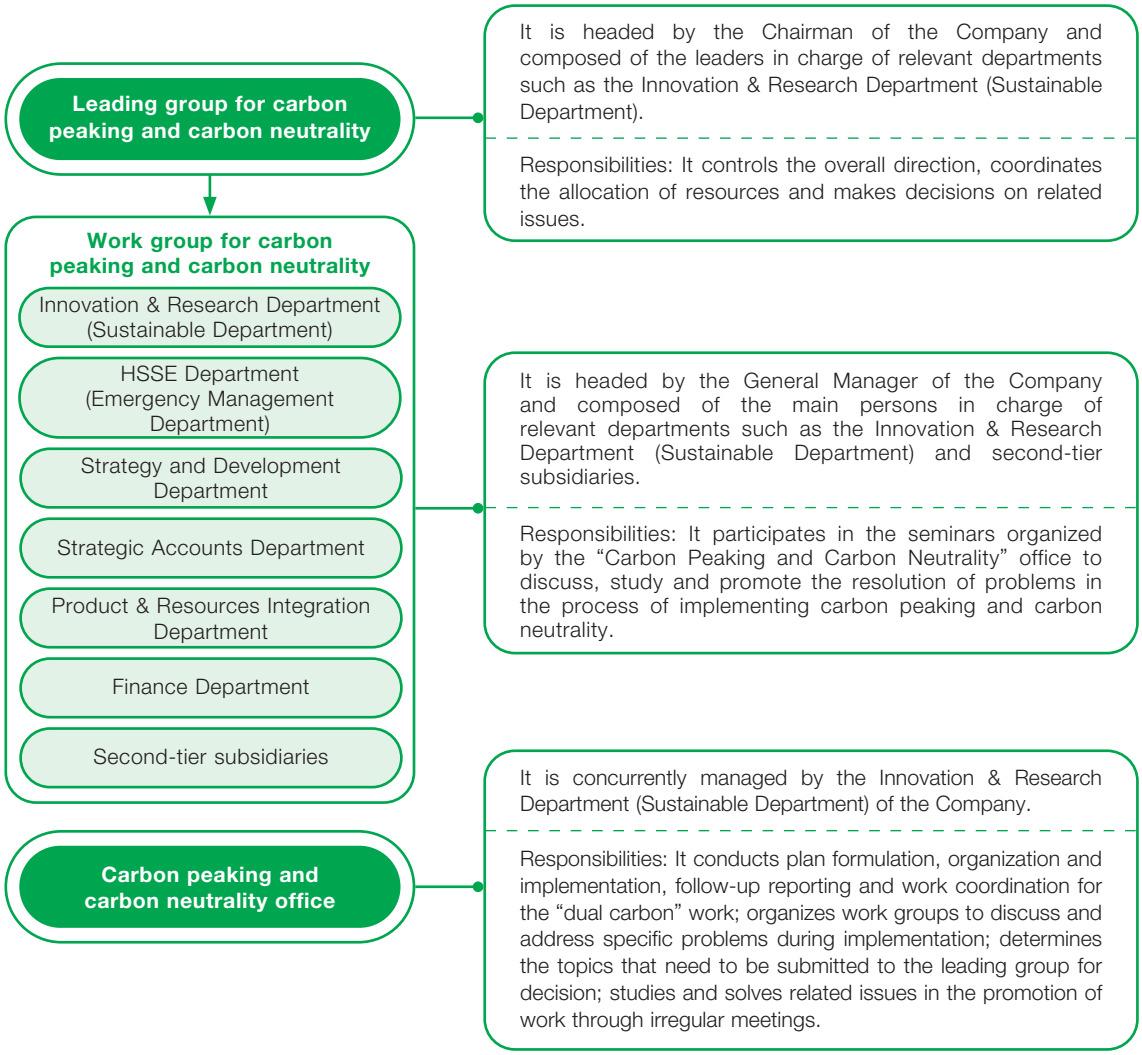


(II) SUPPORTING CARBON NEUTRALITY

1. Governance

Sinotrans actively responds to the national strategic plan of carbon peaking and carbon neutrality by establishing a leading group, office and work group for "dual carbon" initiative to build a climate governance architecture featuring top-down linkage and efficient coordination, facilitating green and low-carbon actions in an orderly manner. The leading group, office, and work group are all composed of personnel with relevant experience and qualifications. The Company continuously carries out advanced talent training projects for "dual carbon" to build a specialized echelon of "dual carbon" talents, strengthening employees' understanding and mastery of the global climate change situation, relevant policies, and carbon emission management knowledge, and enhancing carbon emission accounting and comprehensive management capabilities, so as to provide talent assurance for achieving the "dual carbon" goals. In 2025, 10 advanced talent training sessions for "dual carbon" were conducted, covering Sinotrans and dozens of its branches and subsidiaries.

Climate Governance Organizational Chart:



When supervising the overall development strategy, major business transaction decisions, and risk management procedure formulation, the Company takes climate-related risks and opportunities as assessment factors, carrying out comprehensive trade-off assessments in combination with policy orientation, market trends, industry characteristics, and the Company's own development reality. On the one hand, the Company continuously tracks domestic and foreign climate-related policies and regulations as well as green logistics market development trends. Since 2024, it has entrusted professional external institutions to carry out systematic identification of climate risks and opportunities for two consecutive years, accurately judging the potential impact of physical risks and transition risks on the Company's warehousing facilities and operating costs. On the other hand, the Company deeply integrates carbon peaking and carbon neutrality goals into its medium- and long-term development plans, comprehensively weighing low-carbon transition investment against long-term development benefits, and risk prevention and control costs against sustainable development value. It has formulated the *Strategic Plan for Carbon Peaking and Carbon Neutrality*, the Company's "1+2+5+5" carbon neutrality action plan, and the overall strategy for green logistics value chain ecosystem construction, ensuring that the response to climate-related risks and the grasping of opportunities are consistent with the Company's overall strategy.

The Company has formulated systems such as *the Measures for the Management of Carbon Peaking and Carbon Neutrality of the Company* and the *Measures for the Statistics and Monitoring Management of Energy Consumption and Carbon Emission*, clarifying the full-process management requirements for carbon emissions, carbon inventory, carbon verification, carbon assets, carbon trading, carbon neutrality, and "dual carbon" projects. It comprehensively considers the balance between carbon emission reduction policy compliance risks, low-carbon technology investment risks, and green business development opportunities, providing institutional guidance for the Company's major decisions and risk management in climate-related fields.

Sinotrans has formulated energy-saving and emission reduction indicators to regularly track and evaluate the implementation of each second-tier subsidiary. The Company's carbon emission management platform can realize normalized monitoring of greenhouse gas emissions and the progress of climate change response goals. Sinotrans has incorporated climate-related indicators such as energy conservation and environmental protection and green logistics into the performance-based compensation assessment system for senior management, and strengthened implementation through the signing of the *annual Organizational Performance Assessment and Performance Contract* to promote the effective achievement of climate-related goals.

2025 Assessment Indicators for Climate-related Performance

Assessment indicators for energy conservation and environmental protection: to significantly strengthen the statistical monitoring and management of energy consumption and carbon emissions; to continuously refine the statistical monitoring and management of energy consumption and carbon emissions in accordance with the Company's "dual carbon" goals and action roadmap; and to achieve a comprehensive improvement in data collection accuracy and management precision.

Assessment indicators for green logistics: to optimize the carbon management system and carbon calculator, thereby achieving full coverage of organizational carbon statistics and full coverage of carbon calculation functions in business scenarios.

2. Strategy

Climate-related Risks, Opportunities and Impacts

As a global supply chain participant, Sinotrans' transportation network, warehousing, and infrastructure are affected by climate stability and low-carbon transition capabilities. We have identified that physical risks and transition risks brought by climate change constitute short-term (within 1 year), medium-term (within 5 years), and long-term (more than 5 years) impacts on the Company's asset security, operational efficiency, and financial costs. At the same time, the industry trend of low-carbon development also brings market opportunities in the field of green logistics to the Company.

Types		Factors	Impact period	Impact on the Company and the value chain
 Physical risk	Acute physical risk[11]	Floods	Short-term, medium-term, long-term	Infrastructure and transportation equipment were damaged, resulting in an increase in repair costs; roads, bridges and railways were flooded or destroyed, resulting in transport disruptions, cargo detention and extended delivery times; ports were closed, flights were canceled, land transportation was obstructed, warehouses, vehicles, and equipment were damaged, resulting in a decrease in operational capacity.
		Typhoons	Short-term, medium-term, long-term	Gales and rainstorms frequently cause transportation network disruptions, including road flooding, bridge damage, port closures and flight cancellations. These incidents may hinder normal cargo transportation, resulting in a reduction of service efficiency and an increase in compensation and insurance costs.
		Blizzards and freezing	Short-term, medium-term, long-term	Icy roads cause transport disruptions and shipping delays. Low temperatures lead to frequent vehicle and equipment failures, significantly reducing transportation efficiency. And the delay in cargo delivery may result in a reduction in customer satisfaction. Besides, additional costs for de-icing, heating and other related issues may be caused.
	Chronic physical risk	Sea level rise	Medium- to long-term	Coastal port facilities may be flooded or damaged, leading to reduced operational capacity, forcing changes in shipping routes, resulting in an increase in transportation distance and time. As significant investments are required to build new or relocate port facilities, port-dependent supply chains shall be reorganized.
		Drought	Medium- to long-term	Long-term water shortages have led to a drop in river levels, with some waterways drying up, significantly reducing inland shipping capacity. Cargo relying on water transportation will shift to more expensive land or air transportation, leading to a significant increase in transportation costs. In addition, the reduction in hydropower supply resulted in an increase in energy costs.
		High temperature and heatwaves	Medium- to long-term	Cold chain logistics require more energy to maintain low temperatures, resulting in an additional increase in costs. High temperatures accelerate the aging of vehicles and machinery, leading to an increase in maintenance expenses. In addition, extreme heat affects employees' health and work efficiency, further restricting the Company's operations.

[11] Sandstorms, hail and other climate factors were not included and disclosed in this period, as the impact of such factors on the Company's nationwide logistics network is local and temporary and does not constitute a material financial impact.

Types		Factors	Impact period	Impact on the Company and the value chain
Transition risk	Policy and legal risk	Pressure on carbon reduction policy	Short-term, medium-term, long-term	Since the launch of the "dual carbon" strategic goals, the government has systematically enhanced policy frameworks in energy structure adjustment, transportation system optimization, logistics network upgrades and other key areas. The successive promulgation of policies, represented by the *14th Five-Year Plan for the Development of Modem Logistics*, indicates that green and low-carbon development has become a core issue at the national strategic level and an important engine driving high-quality economic development. This policy will have a profound impact on corporate operations: from a business model perspective, companies shall urgently integrate green development concepts into all aspects of the value chain in business and operations, to drive the transformation and upgrading of traditional business models; from a cost structure perspective, as environmental standards continue to rise, companies will face increasing capital expenditures and operational costs in areas such as the development of carbon emission monitoring systems and the upgrading of environmental protection facilities.
	Technical risk	Investment in low-carbon transition technology	Medium- to long-term	At present, most of Sinotrans' self-owned ships and operating vehicles are heavy traction vehicles. If there is no system or new technology to replace traditional fuels, the Group may be affected by the rising price of fossil fuels and regulatory requirements, which are adverse to promoting the operation strategy of green logistics.
Market opportunities		Development of green resolution	Medium- to long-term	With the continuous improvement of environmental awareness, green concepts are earning increasing recognition from people and the market demand for green services has shown a rapid growth trend. In the event that the Company can accurately grasp such market change and accelerate the layout and innovation of green logistics services, it will be easier to gain market recognition, further enhancing its brand influence and market competitiveness.

We actively respond to short-term, medium-term, and long-term risks brought by climate change through measures such as annual performance assessments, the 15th Five-Year Development Plan, and the Strategic Plan for Carbon Peaking and Carbon Neutrality.

Risk classification	Risk response measures
Short-term risk	Corresponding to the Group's annual business plan, strategic decision-making planning focuses on the immediate response to climate-related risks, the formulation and implementation of annual energy conservation and carbon reduction goals, the execution of short-term policy compliance, and the emergency responses to sudden climate events, ensuring that the Group's daily operations are not subject to sudden shocks from climate risks and completing the established annual low-carbon operation indicators.
Medium-term risk	Corresponding to the Group's medium-term development plan, strategic decision-making planning focuses on the normalized management of climate-related risks, the pilot application and promotion of low-carbon technologies, the initial layout of green business, and the promotion of the transformation of the Group's business model towards green and low-carbon, gradually establishing core capabilities for climate risk response.
Long-term risk	Corresponding to the Group's long-term development strategy (including carbon neutrality strategy), strategic decision-making planning focuses on the forward-looking layout of climate-related risks, the green and low-carbon transformation of the entire value chain, the comprehensive application of low-carbon technologies and new energy, and the construction of a green logistics ecosystem, deeply grasping market opportunities for green development, achieving sustainable development of the Group and the climate environment, and integrating climate risk management into the construction of the enterprise's long-term core competitiveness.

Climate Risk Analysis

- Physical Risk Scenario Analysis

  To evaluate the impact of climate risks on assets and business, we focused on the Group's warehouses in the PRC as the research object (accounting for 93.76% of the total), and through comprehensive climate risk assessment, analyzed the impact of acute physical risks (extreme weather) and chronic physical risks (long-term climate change) on them under three scenarios, namely SSP1-2.6[12], SSP2-4.5[13], and SSP5-8.5[14]. The analysis shows that the more severe the climate change, the greater the increase in warehouse damage risk. According to the data of Sea Intelligence[15], as of December 2025, the global average delay days for late vessel arrivals were 5.04 days. Assuming that under normal circumstances, the Company's transportation delay days are 5 days per year, under the SSP5-8.5 scenario, extreme precipitation will cause transportation delay days to increase by 2.5 days. Assuming that the extra cost caused by each delay is 5% of the transportation cost, and the transportation cost accounts for 90% of the total cost, it is estimated that the extra delay cost caused by climate change accounts for about 2% of the total cost.

  - Acute Physical Risk (Extreme Weather)

Disaster types	Scenario types	Average risk of warehouse damage[16]	Magnitude of risk increase (relative value)[17]
Floods	SSP1-2.6	11.88%	11.40%
	SSP2-4.5	12.53%	17.44%
	SSP5-8.5	13.15%	23.27%
Typhoons	SSP1-2.6	0.60%	7.97%
	SSP2-4.5	0.62%	11.77%
	SSP5-8.5	0.64%	15.81%

  - Chronic physical risk (long-term climate change)

    Under the high-emissions scenario of SSP 5-8.5, coastal warehouses (e.g., in Shanghai and Guangzhou) will face significant risks of flooding and seawater intrusion due to the combined effects of sea level rise and typhoons. According to IPCC AR6[18], under a high-emissions scenario, the global mean sea level is projected to rise by 0.20 to 0.30 meters by 2050. The combined effects of sea level rise and typhoons will substantially increase flood risks in coastal areas, with low-lying warehouse facilities being more severely affected.

[12] SSP1-2.6: It is based on the future scenario of SSP1 (sustainability), corresponding to the low emission scenario of RCP2.6 (radiative forcing reaches 2.6 W/m²). It is assumed that the global socio-economic development is moving in a sustainable direction, emphasizing inclusive development, environmental protection and global cooperation. By 2100, the global average temperature is expected to rise by approximately 1.5℃ compared to pre-industrial levels.

[13] SSP2-4.5: It is based on the future scenario of SSP2 (middle of the road), corresponding to the intermediate emission scenario of RCP4.5 (radiative forcing reaches 4.5 W/m²). It is assumed that socio-economic development follows its historical development patterns, and takes certain climate mitigation measures. By 2100, the global average temperature is expected to rise by approximately 3.0℃ compared to pre-industrial levels.

[14] SSP5-8.5: It is based on the future scenario of SSP5 (fossil-fueled development), corresponding to the high-emissions scenario of RCP8.5 (radiative forcing reaches 8.5 W/m²). It is assumed that global socio-economic development is highly dependent on fossil fuels and adopts a resource – and energy-intensive development model. By 2100, the global average temperature is expected to rise by approximately 5.1℃ compared to pre-industrial levels.

[15] Source: Sea Intelligence-Global Average Delay Days for Late Vessel Arrivals (https://container-news.com/sea -intelligence-global-schedule-reliabilitydrops-to-62-8-in-december-2025/)

[16] The risk of warehouse damage refers to the proportion of loss that a warehouse may suffer under a specific scenario. The damage risk for each detailed warehouse = the frequency of extreme weather events * the intensity of extreme weather events * the proportion of warehouse damage under that intensity.

$$\text{Average risk of warehouse damage} = \sum \frac{\text{warehouse area per line item} \times \text{probability of damage per line item}}{\text{Total warehouse area}}$$

[17] The magnitude of risk increase refers to the growth ratio of the damage risk level in 2060 compared to historical values (1980-2014) under three different scenarios.

[18] IPCC AR6: The Sixth Assessment Report by the Intergovernmental Panel on Climate Change

Risk level[19]	City where coastal warehouses are located	Proportion of warehouse area
Low	Tianjin	4.87%
Lower	Lianyungang	0.16%
Moderate	Dalian, Yantai, Weihai, Qingdao, Fangchenggang	10.01%
Higher	Ningbo, Wenzhou	4.84%
High	Shanghai, Fuzhou, Quanzhou, Xiamen, Guangzhou, Shenzhen, Zhuhai, Zhanjiang, Haikou, Hong Kong Special Administrative Region	22.93%

- Scenario analysis of transition climate risks

  To evaluate the Group's adaptability to climate transition risks, we adopted the NGFS (Network for Greening the Financial System) climate scenario stress-testing framework, focusing on analyzing the transmission effect of differences in carbon pricing systems on financial risks under three policy paths (1.5℃ scenario[20] (Net Zero 2050), 2℃ scenario[21], and Nationally Determined Contribution scenario[22]) between 2025 and 2050.

  - Carbon emissions

    Based on the NGFS framework, we have developed a carbon emission prediction model tailored for the logistics and supply chain industry. This model systematically forecasts the carbon emission trajectories of the Group under the 1.5°C scenario, 2°C scenario, and Nationally Determined Contribution scenario. The model innovatively integrates multiple key driving factors, including the dynamic growth prediction of logistics transportation volume, the transformation path of energy structure, the electrification process of transportation equipment, the improvement of energy efficiency in storage facilities, and green supply chain management, ensuring the scientific rigor and reliability of the prediction results. Additionally, the model specifically considers specialized factors such as the optimization of multimodal transport, the substitution of low-carbon fuels, and the application of smart logistics technologies, providing precise data support and decision-making basis for the Group's carbon neutrality pathway.

    The results of the scenario analysis indicate that carbon emissions show a significant downward trend under different climate policy scenarios. As climate policies become more stringent, both intensity and amount of carbon emission reductions increase significantly.

Scenario types	Carbon emissions in 2050 *(10,000 tons)*	Decrease compared to 2025
1.5℃ scenario	5.41	80.00%
2℃ scenario	14.48	46.43%
Nationally Determined Contribution scenario	18.80	30.42%

[19] The risk level is defined as a comprehensive risk index level graded using the Analytic Hierarchy Process based on indicators such as the rate of sea level rise, the average frequency of tropical cyclones, the annual flooding frequency and the mean tidal range.

[20] 1.5℃ scenario: To keep the increase in global average temperature over pre-industrialization levels within 1.5℃ through stringent climate policies and innovations.

[21] 2℃ scenario: To gradually increase the stringency of climate policies, for the sake of a 67% chance of limiting global warming within 2℃.

[22] Nationally Determined Contribution scenario: It is assumed that only the prevailing Nationally Determined Contribution policies will be retained, resulting in a high physical risk.

- Carbon reduction cost forecast

Through GCAM 6.0 NGFS systematic approach, we evaluate the economic investment required by the Group to achieve emission reduction targets. Carbon reduction cost[23] varies significantly under different climate policy scenarios, showing a gradient characteristic of 1. 5℃ scenario > 2℃ scenario > Nationally Determined Contribution scenario. Under the 1.5℃ scenario, due to the most stringent emission reduction requirements, the Group faces higher carbon reduction costs and greater operational pressure.

Scenario types	Projected carbon price level in 2050 *(RMB/ton)*	Carbon emission costs in 2050 *(RMB0'000)*
1.5℃ scenario	3,200.05	57,016.26
2℃ scenario	777.91	6,802.37
Nationally Determined Contribution scenario	405.30	1,790.89

- Carbon Value-at-Risk (CVaR)[24]

We use Carbon Value-at-Risk (CVaR) to quantify the financial risks faced by the Group under different carbon emission scenarios, including potential losses or gains caused by carbon price fluctuations, policy adjustments, or market transition to a low-carbon economy. Through the assessment of Carbon Value-at-Risk, we precisely identify carbon-related risk exposures, optimize risk management strategies, and provide data support for formulating scientific and reasonable low-carbon transition pathways, thereby enhancing competitiveness in the context of a low-carbon economy and achieving sustainable development goals.

The analysis results show that the stricter the climate policies, the higher the carbon cost risk faced by companies. For example, the CVaR in 2050 will reach 1.33% under the 1.5℃ scenario, while the CVaR will only be 0.16% under the 2℃ scenario.

Scenario types	Carbon Value-at-Risk (CVaR) in 2050
1.5℃ scenario	1.33%
2℃ scenario	0.16%
Nationally Determined Contribution scenario	0.04%

[23] Carbon Reduction Cost of the Company = Carbon Reduction Volume × Carbon Price. Carbon Price: Refer to NGFS Fifth Edition MESSAGEix-GLOBIOM 2.0-M-R12-NGFS Data Model.

[24] Steps for calculation of Carbon Value at Risk (CVaR) include: (1) Establish diverse carbon emission scenarios, encompassing various pathways such as policy-driven initiatives, market transformations, and technological breakthroughs; (2) Integrate carbon price forecasting models, historical and projected corporate carbon emission data, and carbon cost transmission capabilities to comprehensively assess the potential carbon-related costs or asset impairment risks that a company may face over a certain future period.

$$\text{Enterprise CVaR} = \frac{\text{Enterprise's carbon reduction costs}}{\text{Enterprise value}}$$

; Enterprise value = (Market Value + Liabilities + Minority Interests + Preferred Shares) – Cash And Cash Equivalents.

Climate Strategy

Sinotrans actively responds to climate change risks and opportunities by formulating the "1+2+5+5" carbon neutrality action plan, clarifying the goals of carbon peaking by 2030 and carbon neutrality by 2060. It integrates carbon management into the closed loop of corporate strategy, constructs five types of green logistics solutions including energy optimization, digitalization, supply chain, carbon management, and carbon inclusion, and deploys five major initiatives: clean energy application, technological transformation, digitization/intelligent application, business model transformation/management enhancement, and green ecology/customer co-creation. With the goal of maximizing the green logistics value chain ecosystem, the Company establishes a closed-loop operation mode and mechanism for green logistics value.

The Greater Bay Area "Green, Connected and Intelligent Network" Project Officially Launched

Sinotrans launched the Greater Bay Area "Green, Connected and Intelligent Network" project. By creating a triple-network integration system of "green transport capacity + energy replenishment network + digital and intelligent scheduling", and integrating electric heavy-duty trucks, charging and battery swapping infrastructure as well as an AI-driven intelligent scheduling platform, the project has built a green logistics backbone network covering major ports, logistics hubs and industrial parks in the Greater Bay Area, effectively improving regional logistics scheduling efficiency and carbon reduction capabilities.



Financial Impact

The Company's financial performance and cash flow are expected to be affected by climate-related factors.

	Projected Financial Impact
Short-term	In the short term, the Company will focus on implementing emergency disposal of climate-related risks and basic investment in low-carbon transition. It is expected that capital expenditures and operating expenses related to the upgrade of carbon emission reduction monitoring systems and environmental protection facilities, as well as pilot projects for new energy equipment, will increase, slightly pushing up the Company's operating costs, administrative expenses, and R&D expenses, forming certain pressure on the short-term profit side. At the same time, the promotion of the Company's green logistics services will bring a small amount of incremental green income, gradually hedging part of the low-carbon input costs. Short-term cash flow is mainly affected by cash outflows from investing activities for low-carbon infrastructure and cash outflows from operating activities for risk emergency disposal. Cash outflows from investing activities are expected to increase, mainly corresponding to expenditures for green project pilots and environmental protection equipment purchases. Cash outflows from operating activities will rise slightly with low-carbon operating expenses and risk emergency expenditures. The Company will guarantee relevant capital needs through its own funds and other means.

	Projected Financial Impact
Medium-term	The Company's green logistics business will enter a stage of large-scale layout. Green projects such as photovoltaic power stations and battery swapping stations will be gradually implemented and generate benefits. The substitution of new energy transportation equipment will reduce fuel costs, scale effects will gradually appear, and the unit cost of low-carbon inputs will continue to decline. At the same time, the improvement of the normalized climate risk management system will reduce extra losses caused by extreme weather, and the pressure on the operating cost side will be gradually alleviated. It is expected that the Company's green service income will achieve rapid growth, with the overall profitability level expected to improve steadily and financial performance optimizing towards green and low-carbon transition. Medium-term cash outflows from investing activities will still maintain a certain scale, mainly used for the large-scale construction of green projects and the new energy substitution of core transportation equipment. Cash inflows from operating activities will achieve steady improvement with the growth of green income, and the decline in low-carbon costs will drive the continuous improvement of net cash flow from operating activities. Diversification will be considered for sources of funds; in addition to its own cash flow, the Company may explore special financing tools to raise funds.
Long-term	The Company will achieve green and low-carbon transition of the entire value chain. Green logistics will become a core business segment, low-carbon technologies and new energy equipment will be fully applied, and the impact of climate-related risks will be reduced to a controllable level. It is expected that the Company's carbon emission intensity will drop significantly, carbon emission reduction costs will enter a stable stage, green brand advantages will be transformed into sustainable market competitiveness, and the proportion of green service income will continue to increase, optimizing the overall profit structure. At the same time, the normalized management of climate-related risks will effectively avoid large non-recurring losses, significantly enhancing the stability and sustainability of financial performance. Long-term cash outflows from investing activities will gradually fall back, mainly used for the renewal and maintenance of green assets rather than large-scale new construction. Cash inflows from operating activities will achieve continuous growth with the increase of the Company's green logistics market share, and the optimization of the cost side will drive net cash flow from operating activities to maintain a high and stable level. Sources of funds may primarily be dominated by own operating cash flow.

In 2025, the amount of business activities affected by climate-related physical risks was RMB1.6947 million. As of the end of this Reporting Period, no significant climate-related risks that would cause material adjustments to the carrying amounts of assets and liabilities in the relevant financial statements for the next reporting year have been discovered. As there is no unified financial quantitative model for climate risks in the industry, and the occurrence of climate events is sudden, complex and uncertain, their future impact on financial data is difficult to accurately measure. Adhering to the principles of objectivity and prudence, the Company has not yet quantified the impact of climate-related risks and opportunities on financial cash flow, and will deepen the financial quantitative analysis and research on climate-related risks and opportunities in due course in the future in combination with national policies, industry trends and the actual situation of the enterprise.

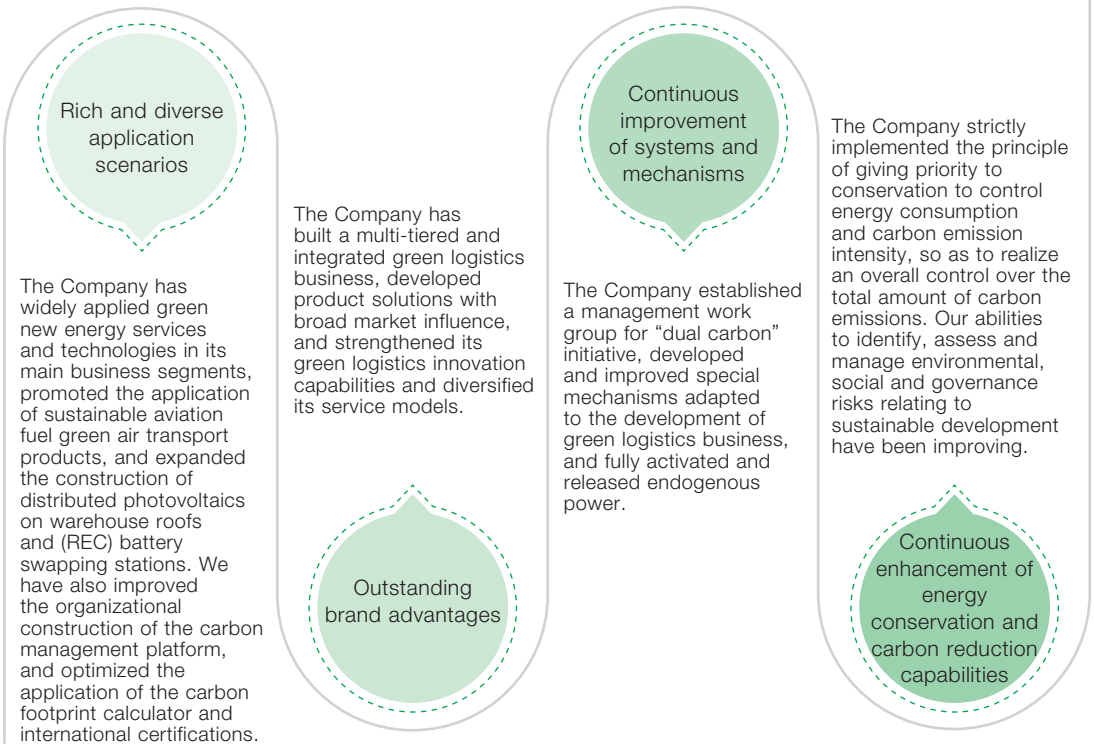
3. Impact, Risks and Opportunities Management

We have incorporated climate-related risks and opportunities into the Company's risk management and internal control system, following the Company's risk management organizational structure and specific systems. Relevant functional departments assume the main responsibility for climate risk management and internal control, aiming to identify, assess, manage, and track climate risks and opportunities that may affect the business. In 2025, one of the top ten risks identified by the Company was external political, economic, and environmental risks (including climate risks and opportunities).

Climate Risk and Opportunity Management Process

Step 1: External Environment Analysis	Continuously monitor and analyze changes in the external environment arising from climate issues, including policy pressures and market trends.
Step 2: Climate Risk Identification	Analyze industry and peer best practices to identify climate risks and opportunities, producing a list of climate risks and opportunities.
Step 3: Climate Scenario Analysis	Based on the analysis of the Company's operational status and development strategy, select three appropriate climate scenarios to qualitatively assess the impact of climate risks and opportunities, and develop quantitative models to quantitatively analyze the potential financial impact related to climate.
Step 4: Risk Management and Response	Strengthen response measures for material climate risks and opportunities, and continuously monitor and evaluate the progress of climate risk control through regular reporting by various units.

To continuously promote the implementation of the Company's carbon peaking and carbon neutrality special strategic plan and effectively respond to the impacts, risks, and opportunities brought by climate change, the Company proactively adjusts its strategy and business model and implements energy conservation and carbon reduction measures during its business operations.



4. Indicators and Targets

Greenhouse Gas Emissions

To enhance the management of greenhouse gas emissions, Sinotrans has established an energy conservation and environmental protection management system, which incorporates embedded greenhouse gas emission calculation formulas. Based on standards such as the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*, the system compiles monthly statistics on various types of energy and resource consumption, and calculates annual greenhouse gas emissions from annual energy and resource consumption using the emission factor method[25]. Meanwhile, relying on the energy conservation and carbon reduction analysis module within its energy conservation and environmental protection management system, the Group identified 33 energy conservation and carbon reduction measures, including 23 for equipment and facility updates, 8 for clean energy adoption, and 2 for energy conservation technology transformations. In 2025, the carbon emissions were reduced by 6,119.74 tons, with an average carbon reduction rate of 60.5%.

2025 total greenhouse gas emissions (scope 1 + scope 2) (in tons of CO_2e)[26]		267,402.03	Year-on-year change: ↓ 13.17%
By scope	Scope 1 Greenhouse gas emissions	137,630.09	Year-on-year change: ↓ 15.73%
	Scope 2 Greenhouse gas emissions	129,771.95	Year-on-year change: ↓ 10.29%
Greenhouse gas emissions directly reduced by emission reduction measures (scope 1 + scope 2) (in tons of CO_2e)		6,119.74	Year-on-year change: ↑ 0.47%
Carbon emissions intensity: Greenhouse gas emissions per million RMB revenue (scope 1 + scope 2)		2.76	Year-on-year change: ↓ 5.27%

Currently, Sinotrans' greenhouse gas emission accounting scope is focused on the Company's own operations. The statistical accounting of Scope 3 greenhouse gas emissions are still in the exploratory stage. It is planned to formulate data statistics principles in 2026 and gradually carry out Scope 3 greenhouse gas emission accounting at an appropriate time.

Amount of business activities affected by climate-related physical risks in 2025 (Unit: RMB ten thousand)[27]	169.47	Year-on-year change: ↓ 90.55%

The Company has not yet applied an internal carbon pricing mechanism in its decision-making, and will carry out and deepen the financial quantitative analysis of climate-related transition risks and internal carbon pricing work in due course in the future based on the Company's actual situation.

[25] Scope 1 and Scope 2 emission factors are determined with reference to the latest rules issued by the state, such as the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020)*, the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions – Civil Aviation Enterprises (Trial)*, the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions – Land Transportation Enterprises (Trial)*, and the CO_2 emission factors for electricity in relevant year.

[26] Scope 1 greenhouse gas mainly refers to greenhouse gas emissions generated by the burning of fossil energy such as coal, natural gas and oil, and industrial production processes. Scope 2 greenhouse gas mainly refers to the emission of greenhouse gas caused by the use of purchased power and heat.

[27] "Capital Deployment" for climate-related risks and opportunities.

Climate-related Targets

Green logistics and sustainable supply chains can enhance market competitiveness and customer stickiness by improving corporate brand image and social responsibility, promote long-term stable cooperation among partners, and provide strategic advantages in technological innovation and value chain cooperation, achieving win-win and sustainable development. In 2025, to actively respond to the national "dual carbon" goals, Sinotrans' "dual carbon" office, further clarified Sinotrans' carbon peak and carbon neutrality action commitments[28] through the Sinotrans Green Logistics White Paper (2025), released based on historical carbon emission data analysis, future carbon emission potential prediction, and dual carbon goal implementation path planning.

Time	Benchmark/Target	Description
2020	Baseline year	
2025	18% reduction in carbon emission intensity	Intensity target
2028	26% reduction in carbon emission intensity	Intensity target
2030	30% reduction in carbon emission intensity	Intensity target
	achieve carbon peaking by 2030 in the course of business operation	Total amount target
2060	strive to achieve carbon neutrality by 2060 in the course of business operation[29]	Net amount target

The "dual carbon" strategy of Sinotrans is being implemented and promoted in an orderly manner, and has been incorporated into the annual performance appraisal system of senior management and relevant departments to promote the achievement of targets. Adhering to the principles of scientific rigor and professional prudence, information on the total amount of carbon peak, net emissions in the year of carbon neutrality, and the use of carbon credits will not be disclosed in this period.

[28] Sinotrans' dual carbon goals cover all greenhouse gases in Scope 1 and Scope 2 of the enterprise. The goals were proposed after independent calculation, and green certifications such as SBTi, will be considered in the future when the timing is appropriate.

[29] The remaining greenhouse gas emissions in 2060 will be neutralized through carbon credits such as VCS and CCER.

(III) EFFICIENT RESOURCE UTILIZATION

1. Energy Management

Sinotrans attaches great importance to energy management, prioritizing the enhancement of energy utilization efficiency and the reduction of energy consumption levels as key components in advancing green operations and energy conservation and carbon reduction. The Company continuously improves its energy management mechanisms, strengthens control of key energy-consuming processes, and drives energy usage towards greater efficiency and intensification.

(1) Energy Management Measures

During the operations of Sinotrans, energy consumption is mainly concentrated in the transportation and warehousing sectors, with the primary energy sources being diesel, electricity and fuel oil. Focusing on the above key energy-consuming segments, the Company continues to strengthen energy use management. By integrating business characteristics with actual equipment operations, it steadily advances efforts to enhance energy utilization efficiency, laying the foundation for energy conservation and carbon reduction and climate change mitigation.

Energy Conservation and Carbon Reduction Process Management



Sinotrans, relying on the energy conservation and carbon reduction analysis module within its energy conservation and environmental protection management system, organized various units in systematically mapping out annual energy conservation and carbon reduction initiatives. After multiple rounds of discussion, an energy conservation and carbon reduction measure list was developed, covering equipment and facility updates, clean energy adoption, and energy conservation technology transformations. In 2025, the Company had compiled a total of 33 energy conservation and carbon reduction initiatives, including 23 for equipment and facility updates, 8 for clean energy adoption, and 2 for energy conservation technology transformations. Throughout 2025, these measures cumulatively achieved energy savings equivalent to 1,343.9 tons of standard coal, with an average energy saving rate of 50.3%, effectively reducing energy consumption and carbon emission levels while ensuring stable production and operation.

Equipment Management



Sinotrans has continuously conducted energy efficiency inspections of key energy-consuming equipment, and established and improved the energy efficiency level ledger for such key energy-consuming equipment. During the Reporting Period, the Company had a total of 80,187 units of key energy-consuming equipment such as boilers, motors, transformers, refrigeration equipment, and lighting equipment. Among such equipment, 99% met or exceeded the minimum compliance standards, while 77% achieved or surpassed energy-saving standards. Addressing the issue of low energy efficiency in certain equipment, subsidiaries at all levels formulated update and transformation plans for 637 units of key energy-consuming equipment. Specific timelines and cost allocations for transformations were established, enabling the orderly advancement of equipment renewal and transformation efforts.

(2) Management Data Support

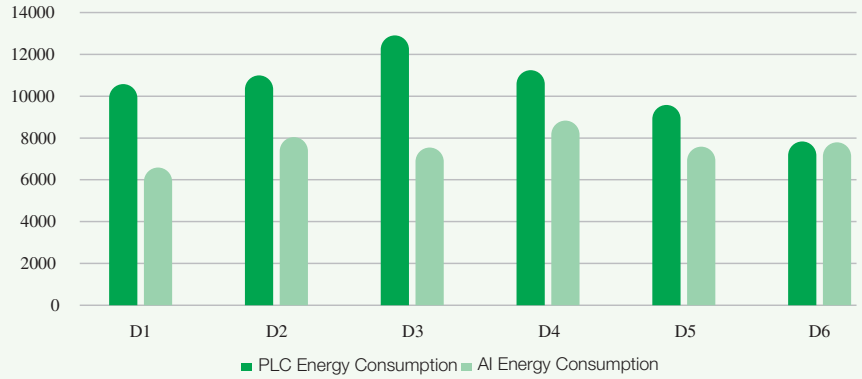
To consolidate the data foundation of energy management and energy conservation and carbon reduction efforts, Sinotrans actively carried out energy conservation and environmental protection data verification. It organized its subsidiaries to systematically review and submit original ledger materials, closely monitored the verification process, guided various units in completing their verification tasks, and promptly communicated identified issues to various subsidiaries. This approach promoted learning from mistakes and continuous improvement, providing reliable data support for energy management and relevant indicator disclosures.

In 2025, Sinotrans continued to integrate energy management and energy conservation measures into its operational practices, steadily improving energy utilization efficiency to support the Company's green, low-carbon and sustainable development.

Total Energy Consumption[30]: 98,845.72 tons of standard coal	Year-on-year change: ↓ 11.13%
Clean Energy Consumption: 9,065.02 MWh/1,114.09 tons of standard coal	Year-on-year change: ↑ 35.91%
Proportion of Clean Energy Usage: 1.13%	Year-on-year change: ↑ 0.39 percentage point
Natural Gas Consumption: 33,145.39 MWh	Year-on-year change: ↓ 14.18%

Case **Energy conservation and carbon reduction is achieved in an intelligent refrigeration system**

The circulating refrigeration system in the warehouse complex serves as the primary electricity-consuming component in the park of a subsidiary of Sinotrans. To effectively reduce the energy consumption in the refrigeration system, the Company introduced and installed the AIBOX intelligent refrigeration management system in the park, and implemented regular maintenance and management of related equipment. Through the intelligent system's automatic adjustment and refined control of refrigeration operation parameters, the operational efficiency of the park's refrigeration system has been improved, reducing monthly electricity consumption by 26% year-on-year. At the same time, the intelligent temperature control function has reduced the frequency of manual intervention. This not only lowers energy consumption but also effectively minimizes operational and safety risks associated with human error.



Comparison of Energy Consumption Before and After System Optimization Improvements

[30] Energy consumption refers to the energy consumed by the Group in its transportation and warehousing operations.

2. Water Resource Utilization

Sinotrans incorporates water resource conservation and efficient utilization into its daily operations and environmental management. By standardizing water usage practices, strengthening process control, and improving water resource reuse levels, the Company continuously reduces the water consumption pressure from its operations, promoting more scientific and standardized water management.

The use of water resources at Sinotrans is mainly concentrated in daily operational activities, including staff domestic water consumption, equipment and facility cleaning, landscaping and firefighting purposes. From the perspective of water usage categories, the Company's water consumption is mainly domestic water consumption, production water consumption, and firefighting water consumption.

In terms of water resource reuse

Sinotrans actively advocates the concept of water conservation and continuously improves the level of water resource reuse. Subsidiaries at all levels track monthly fresh water consumption and recycled water usage, and carry out regular analysis of water consumption data to timely identify and investigate abnormal situations while strengthening process control. In 2025, the Company achieved a recycled water volume of 63.1336 million tons, with a recycling rate of 96.67%. This sustained high level of water resource reuse effectively reduced the demand for new water withdrawals.

In terms of daily management measures

Sinotrans advocates for scientific and standardized water conservation practices. Water conservation signage is installed in water-using areas to promote rational flow control and enhance employee awareness of water conservation. At the same time, measures such as promptly turning off faucets after use and regularly inspecting, and replacing aging water supply pipelines, prevents "running, dripping, leaking, and overflowing", eliminating the phenomenon of "continuous water flow". These efforts continuously improve the refinement level of water usage management.

In 2025, Sinotrans continued to integrate water conservation and reuse management into its operational practices, steadily improving water resource utilization efficiency to support the Company's green operations and sustainable development.

Total Water Consumption[31]	65,307,933.17 tons
Freshwater Consumption	2,174,329.03 tons
Water Recycling and Reuse Rate	96.67%

[31] In 2025, the statistical methodology for water reuse volume was adjusted. Circulating water volume, series-connected water volume, and reused water volume are now calculated separately for each instance of circulation/reuse/single reuse, leading to significant changes in total water consumption, water reuse volume, and water circulation and reuse rates.

3. Circular Economy

Sinotrans continues to promote intensive and economical resource utilization throughout its production and operations. By optimizing facility construction, improving resource utilization efficiency, and promoting resource recycling, the Company has progressively elevated the environmental sustainability of its operational activities, supporting the implementation of circular economy principles within the Company.

At the facility and operational level, Sinotrans actively advances green warehouse construction, and promotes efficient resource utilization by improving warehousing facility conditions and operational management methods.

In terms of resource recycling, Sinotrans continues to promote the resource utilization of solid waste and collect general solid waste comprehensive utilization through energy conservation and environmental protection management system, while strengthening process management of resource recovery and reuse levels. In 2025, the Company achieved a general solid waste comprehensive utilization rate of 15.89%.

Amount of waste recycled: 671.11tons　　Year-on-year change: ↓ 13.65%

Case　Expired fire hoses are used for flood control sandbags

A subsidiary of Sinotrans explored the reuse of the material properties of expired fire hoses. Leveraging characteristics of fire hoses such as high strength, low water permeability, flexible dimensions, ease of transport, and rapid filling capabilities, they were repurposed as flood control materials after simple modification.

The reuse of expired fire hoses not only reduced waste generation but also improved the practicality of flood control supplies and emergency response efficiency. This initiative organically integrates resource recycling with safety production management, reflecting the practical exploration of promoting circular economy within specific operational scenarios.





(IV) ENHANCING ECOLOGICAL PROTECTION

1. Pollutant Discharge

Sinotrans adheres to a precise, science-based and law-compliant approach to pollution control, treating pollutant discharge management as a critical component of its environmental management and risk prevention. By continuously improving institutional systems, strengthening process controls and advancing emission reduction and rectification, the Company ensures that all pollutant discharges comply with national and local ecological environmental protection requirements, effectively mitigating potential impacts on the environment and relevant stakeholders.

(1) Standardizing Emission Management

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Measures for the Administration of Permits for Discharging Urban Sewage into the Drainage Network*, the *Measures for the Administration of Water Withdrawal Permits*, the *Measures for the Administration of Pollutant Discharge Permits* and other relevant laws and regulations, and carries out pollutant discharge management and supervision and inspection according to law, so as to ensure that the entire process of pollutant discharge complies with laws, regulations, and local regulatory requirements.

During the Reporting Period, Sinotrans further enhanced its pollution prevention and control management system by formulating and implementing the *Water Pollution Prevention and Control Management Measures of Sinotrans Limited* and the *Atmospheric Pollution Prevention and Control Management Measures of Sinotrans Limited*, which clearly define the management requirements, division of responsibilities, and control processes of wastewater and exhaust gas emissions, providing institutional safeguards for standardized pollution control across all levels of the Company.

(2) Strengthening Pollution Control

Pollutants generated in Sinotrans' production and operation process mainly include wastewater, exhaust gas, and solid waste. The Company continuously maintained pollutant discharge within controlled limits through standardizing the operation of pollution prevention and control facilities. During the Reporting Period, various pollutant discharges of the Company complied with national and local emission standards, and no excessive discharge occurred.

2025

wastewater discharge was
1,788,493.98 tons

chemical oxygen demand (COD)
emission was 89.43 tons

ammonia nitrogen emission
was 14.31 tons

sulfur dioxide (SO_2) emission
was 41.93 tons

nitrogen oxide emission
was 77.86 tons



(3) Promoting Emission Reduction and Rectification

Given the extensive and varied nature of its business, the Company continues to promote pollutant emission reduction and environmental risk prevention and control, organizes inspections and rectification of environmental risk hazards in key areas and critical processes, summarizes experiences and establishes long-term mechanisms, forming a closed-loop management of issue identification, rectification implementation, and tracking and supervision.

During the Reporting Period, the Company organized a special inspection group to carry out on-site environmental inspections at 10 subsidiaries in regions including Qingdao, Guangzhou, Foshan, and Shenzhen, focusing on inspecting the operation of exhaust gas and wastewater treatment facilities in the container and tank repairing and cleaning areas, hazardous waste storage facilities, and ship-generated pollutant reception facilities. Based on inspection findings, corrective measures were formulated and continuously monitored to ensure effective rectification.

Meanwhile, Sinotrans continued to carry out inspections and rectification of mobile pollution sources and actively promoted the environmental coding registration of non-road mobile machinery. As of the end of 2025, the registration completion rate for environmental coding of self-owned non-road mobile machinery reached 98%. In addition, 82 units of high-emission non-road mobile machinery were replaced or disposed of, effectively reducing emissions from mobile sources.

The Company has fully identified potential impacts of pollutant emissions on the health of employees and nearby community residents, including risks associated with vehicle and vessel exhaust, domestic wastewater and solid waste. Through continuous enhancement of pollution control and standardized management, air emissions, water discharges and solid waste have been effectively treated and disposed of, with impacts on employees and local communities effectively controlled.

During the Reporting Period, Sinotrans did not incur any significant administrative penalties from environmental or other regulatory authorities due to pollutant discharge, nor was it subject to any criminal liability.

2. Waste Disposal

Sinotrans attaches great importance to standardized waste management, incorporating the full-process control of hazardous and non-hazardous waste into its environmental management system The Company continuously strengthens institutional development and strictly disposes of all types of waste in compliance with applicable laws and regulations, thereby reducing the environmental impact of its production and operational activities.

(1) Improving Management Systems

Sinotrans strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Measures for the Administration of Hazardous Waste Transfer*, the *Measures for the Administration of Hazardous Waste Operation Permits*, the *Measures for the Administration of the Law based Disclosure of Environmental Information by Enterprises* and other relevant laws and regulations, and carries out waste management and supervision according to law, so as to ensure that various disposal activities comply with laws, regulations, and regulatory requirements.

During the Reporting Period, Sinotrans continued to enhance its waste management system by issuing and implementing the *Measures for the Safe Management of Hazardous Waste of Sinotrans Limited*, supplemented with dedicated hazardous waste inspection checklists. These measures clearly specify safety and environmental risk control requirements for hazardous waste across collection, storage, transfer and transportation processes, strengthening standardized full-process management. For non-hazardous waste management, the Company established standardized collection areas for domestic waste, strictly prohibited random dumping or littering, and rigorously implemented waste sorting and classified collection requirements. Domestic waste is regularly cleared and transported by third-party institutions, ensuring proper and compliant disposal.

(2) Standardizing Classified Disposal

Sinotrans' waste mainly includes domestic waste and hazardous waste

Domestic waste mainly comes from waste generated during warehousing and logistics operations and domestic waste generated by employees in daily work.

while hazardous waste mainly comes from waste engine oil and used oil barrels, etc. generated from repairing and cleaning business and during equipment maintenance.

During the Reporting Period, the Company implemented classified management and differentiated disposal for different categories of waste. Domestic waste was uniformly collected, cleared and transported on a regular basis by third-party institutions. Hazardous waste was entrusted to third-party institutions with appropriate qualifications for regular transfer and compliant disposal, ensuring that hazardous waste was managed in a safe and standardized manner.

2025

General solid waste generated	Hazardous waste generated	Hazardous waste disposal rate reached
4,204.71 tons	184.37 tons	100%

(3) Waste Reduction and Resource Utilization

On the basis of standardized disposal, Sinotrans actively promoted solid waste reduction and resource utilization initiatives. The Company advocates green office and green operations concepts, encouraging the use of double-sided black-and-white printing, reducing the use of carton packaging, and prioritizing environmentally friendly and biodegradable packaging materials, thereby reducing the generation of general solid waste at source.

Meanwhile, the Company collected the comprehensive utilization of general solid waste through its energy conservation and environmental management system, continuously enhancing waste resource utilization management. In 2025, the comprehensive utilization rate of its general solid waste reached 15.89%.

3. Biodiversity Preservation

Sinotrans attaches great importance to biodiversity preservation and ecosystem stability, incorporating relevant requirements into the entire process of production and operation management and environmental protection. The Company strictly complies with national and local ecological environmental protection laws and regulations, continuously reducing the impact of operational activities on ecosystems and biodiversity, and actively fulfilling its corporate responsibilities for ecological and environmental protection.

(1) Strictly Implementing Ecological Protection Red Line Requirements

Sinotrans strictly complies with ecological protection red line control requirements and proactively advances the orderly exit of production and operational activities from ecologically sensitive areas, as well as the compliant disposal of related facilities, so as to avoid adverse impacts on ecosystems. During the Reporting Period, Sinotrans continued to optimize their vessel operating structure, effectively reducing potential impacts on the surrounding aquatic ecological environment and ecosystems.

2025

A total of five vessels were withdrawn

vessels withdrawn from service to 16

two ageing vessels were dismantled and disposed of in accordance with laws and regulations

(2) Strengthening Protection and Environmental Management of Key Ecological Areas

Focusing on areas surrounding production and operational sites, as well as key terrestrial and marine ecological functional zones, ecological protection red line areas and other environmentally sensitive regions, Sinotrans systematically advanced ecological protection and environmental management initiatives.



the Company continued to improve their environmental management systems, clarified ecological and environmental protection responsibilities, strictly implemented corporate main responsibilities, and promoted effective implementation of relevant systems through regular inspections and other measures. During the Reporting Period, the environmental management systems of the Company's subsidiaries successfully passed third-party audits, providing management-level assurance for the effective implementation of ecological protection requirements.



the Company continuously strengthened full-process waste management, optimized management procedures, reduced waste generation, enhanced comprehensive utilization levels, and disposed of all types of waste in compliance with laws and regulations. Shipping and port companies strictly implemented ship-to-shore handover and joint inspection systems for ship-generated pollutants, strictly prohibited illegal discharges, and effectively reduced impacts on the aquatic ecological environment.

energy conservation and carbon reduction

Sinotrans actively promoted the use of shore power by vessels while berthed, strengthened coordination between shipping enterprises and port terminal operators, and adhered to the principle of "connecting shore power wherever feasible." In 2025, self-owned vessels cumulatively used 270,000 kWh of shore power for a total duration of 35,000 hours. Port terminals provided shore power access to vessels on 6,784 occasions, with a total usage time of 46,000 hours and electricity consumption of 316,000 kWh, effectively reducing energy consumption and pollutant emissions during vessel berthing.

ecological monitoring

units along the Yangtze River actively implemented the Great Yangtze River Protection Strategy and explored new models for ecological and environmental monitoring through multi-party collaboration. Subsidiaries of Sinotrans installed automated monitoring demonstration stations for Yangtze River water environment on the vessels named "Changhang Jiyun 0321 and 0325" to assist in continuous and dynamic water quality monitoring along the main navigation channel of the Yangtze River, providing support for the protection of the water ecological environment.



Changhang Jiyun 0321

(3) Prudently Controlling Biodiversity-related Risks

In its daily operations and management, the Company strictly complies with relevant ecological and environmental protection laws and regulations, and prudently carries out production and operational activities to avoid adverse impacts on natural habitats, biological species and their living environments.

During the Reporting Period, no incidents occurred where the Company's production or operational activities caused significant adverse impacts on biodiversity. Going forward, Sinotrans will continue to monitor policy and regulatory developments related to biodiversity protection and, in combination with its business characteristics, further enhance ecological and environmental protection and risk prevention and control capabilities, contributing to ecosystem stability and sustainable development.

VI. Innovation Driven Upgrades: Enhancing Supply Chain

In the face of a complex and changeable external environment, Sinotrans takes technological innovation and digital intelligence transition as drivers to continuously enhance supply chain stability and adaptability. By deepening the integration of AI into logistics scenarios, improving customer service quality, strengthening transportation capacity and data security protection, and empowering SMEs for synergistic development, the Company continues to optimize end-to-end supply chain solutions, creates higher value for customers, and consolidates its long-term competitive advantage.

Topics Covered in This Chapter:
Innovation Driving, Product and Service Safety and Quality, Sustainable Supply Chain, Data Security and Privacy Protection, Equal Treatment of Small and Medium-sized Enterprises

United Nations Sustainable Development Goals:



(I) DRIVING THE TRANSFORMATION OF DIGITAL INTELLIGENCE

1. Governance

During the Reporting Period, the Company revised and implemented the *Technological Innovation Management Measures of Sinotrans* 《中國外運科技創新管理辦法》 to continuously improve the Company's technological innovation management system and further optimize the organisational structure, incentive mechanism and supervision and assessment mechanism of technological innovation management.

The Company has established a leading group of technological innovation, with the president as the group leader and other company leaders as its members, to comprehensively coordinate the technological innovation; meanwhile, set up a working group of technological innovation, led by the leader in charge of technological innovation, with the participation and collaboration of relevant functional departments, to specifically undertake the implementation of technological innovation planning, project advancement and resource coordination, forming a governance mechanism of cross-departmental linkage.

The Company attaches great importance to the creation, utilization, protection, and management of intellectual property rights. It strictly complies with laws and regulations such as the *Patent Law of the People's Republic of China*, and has issued systems including the *Measures for the Management of Software Legalization of Sinotrans* and the *Implementation Rules of Sinotrans for the Management of IT Procurement*. The Company has constructed a rigorous and standardized intellectual property management system to effectively safeguard its intellectual property rights and interests in an all-round and multi-level manner, building a solid foundation for its continuous innovation and development.

2. Strategy

Sinotrans considers innovation as its core driving force, and establishes a clear technological innovation strategy that focuses on "smart logistics" to promote the deep integration of technology and business.

At the strategic level, the Company systematically identifies the impact of technological innovation on its business operations and long-term development. On the one hand, the application of new technologies has medium – and long-term positive effects on improving operational efficiency, optimizing customer experience, and promoting green transition. On the other hand, factors such as technology implementation and adaptation, data security and privacy protection, rapid technology iteration, and competition for high-caliber technical talents may also bring challenges to innovation results and business stability. Meanwhile, the Company also recognizes that continuously strengthened technological innovation capability helps improve its market competitiveness, expand service boundaries, and create new development opportunities for building smart logistics solutions.

On this basis, Sinotrans clarified the core innovation concept of "scenario + technology" and "customer + technology", whereby technologies such as AI and big data are embedded in logistics business processes in a human-machine collaborative and automated way, to promote the restructuring of the logistics value chain, and build end-to-end, high-efficiency, and replicable smart logistics solutions. The Company coordinates technological R&D investment planning, promotes technology layout in combination with business development rhythm, and promotes the synergistic evolution of innovation capability and business needs.

3. Impact, Risks and Opportunities Management

Focusing on the impacts, risks and opportunities related to technological innovation, Sinotrans has established a business-scenario-oriented innovation management process, whereby technological innovation projects are managed throughout their life cycle, so that innovation outcomes are implemented in an orderly manner and their value is continuously unlocked.

In specific management practices, the Company continues to promote the development of multiple applications based on the "AI + Logistics", promoting the transformation of technological achievements to business scenarios, mainly including:

- Daily office and functional management fields (2 items):

  trial operation and online launch of AI application operation and maintenance assistant and AI + R&D assistant is completed, improving internal management and R&D support efficiency.

- Safety production and risk management fields (2 items):

  trial operation and online launch of AI rules and regulations assistant and AI smart firefighting assistant is completed, enhancing the intelligence level of safety management.

- Business operation and customer service fields (6 items):

  AI + Documentation: the trial operation and launch of "Documents Hub" in multiple application scenarios such as water transportation, truck transportation, and customs declaration;

  AI + Sales: the trial operation and launch of AI commercial bidding in Sinotrans Air;

  AI + Warehousing: the launch of the enhanced forklifts for the Fonterra project of Sinotrans Logistics Shanghai Fengxian Jinhai Warehouse;

  AI + Customs Affairs: following the launch of the "Smart Link Customs" product, the number of registered users exceeds 1,000, and customers are provided with efficient global customs solutions;

  AI + Container Inspection: the online application and promotion in 9 core yards of Fujian Yard Business Department of Sinotrans South China and 1 domestic trade shipping company;

  AI + Truck Transportation: the full launch of the self-driving application for container horizontal transportation at the Jiangmen High-Tech Port.

By continuing to promote the practical applications of technological innovation, the Company has gradually delivered quantifiable and verifiable management results across multiple business stages. In terms of operational efficiency, the "Documents Hub" automated system annually processes more than 5 million documents, and the cumulative commercial operation mileage of our autonomous driving fleet on highways exceeds 3.5 million kilometers. In terms of customer service, the "Port and Shipping AI Assistant Xiaoyun" (港航 AI 助手小運) was launched, providing 7×24-hour natural language query services, and promoting supply chain end-to-end visualization. In terms of green low-carbon transition, the upgraded carbon management platform achieved full coverage of carbon statistics within the organisation, and the carbon calculator covered all logistics application scenarios, with a cumulative use of 3.75 million times. In terms of safety management, the "Research and Application of Key Technologies for Logistics Warehousing Safety Risk Prevention and Control Based on Edge-Cloud Interaction and Evolution"《端邊雲交互演進的物流倉儲安全風險防控關鍵技術研究與應用》won the first prize of the 2025 Scientific and Technological Progress Award of the CFLP.

The Company gradually unleashes the outcomes of technological innovation in business operations, customer service, safety management, and other aspects, while concurrently paying attention to technology security and data compliance requirements in the promotion process, thereby reducing the impact of potential risks on business operations.

4. Indicators and Targets

Focusing on the key directions of innovation-driven and digital and intelligent transformation and in line with the strategic deployment of technological innovation, Sinotrans has set phased management targets, and continues to evaluate and verify the achievement of targets by reference to the implementation of specific projects and output of achievements. During the Reporting Period, the Company made steady progress in areas such as innovation organisation development, application implementation and capability building.

Our Targets	Achievement of the Targets in 2025
To organise at least one technological innovation salon/training/promotion of logistics technology achievements	Sinotrans successfully organised the first "Yun Yao Cup" (運曜杯) AI Innovation Application Competition, which stimulated internal innovation, empowered business transformation, cultivated future talents and shaped industry influence.
To organise the completion of the set targets of research and development investment of technology	We invested RMB362 million in technological innovation development in 2025.
To promote the demonstrative application of artificial intelligence technology in business scenarios	We newly completed several "AI+" applications in fields such as business operation and customer service, covering application scenarios including documentation processing, sales support, warehousing operations, customs services, container inspection management and truck transportation autonomous driving.
The Company's cumulative number of active patents will reach 190	We obtained a total of 236 patents.

(II) PROVIDING HIGH-QUALITY CUSTOMER SERVICE

Focusing on upgrading customer demand and the trend towards more complex industrial chain services, Sinotrans systematically promotes the development of customer service governance and delivery quality management capabilities, and continually improves service stability, delivery reliability, and customer experience, thereby supporting the high-quality development of customers and industrial chains.

1. Governance

In terms of customer service and service quality management, Sinotrans adheres to legal and compliant operation, and strictly complies with national laws and regulations, industry regulatory requirements, and relevant international rules relating to its different business segments. In terms of sea transportation business, the Company has obtained relevant qualifications such as non-vessel operating common carrier, international freight forwarding, and domestic water transportation according to law, follows the *Maritime Law of the People's Republic of China*, the *Regulations of the People's Republic of China on International Maritime Transportation*, the *Provisions on the Administration of Domestic Water Transport and other laws and regulations*, and formulates the *Sinotrans Bill of Lading Management Regulations* to guide subsidiaries in standardizing sea transportation business operations. In terms of air transportation business, the Company has obtained relevant qualifications for air transportation and customs declaration and inspection according to law, follows the *Civil Code of the People's Republic of China*, the *Civil Aviation Law of the People's Republic of China*, the *Provisions on Air Transportation of Mail and international conventions* such as the *Warsaw Convention*, the *Hague Protocol*, and the *Montreal Convention*, and establishes corresponding internal synergy and management systems. In terms of land transportation and truck transportation business, the Company has obtained relevant qualifications for railway, highway transportation, and hazardous goods transportation according to law, strictly complies with the *Railway Law of the People's Republic of China*, the *Regulations on Railway Safety*, the *Regulations of the People's Republic of China on Road Transportation*, the *Provisions on the Administration of Road Transportation of Hazardous Goods* and other laws and regulations, and formulates and improves supporting systems such as freight rate management, safety production, and warehousing management to guide each unit in standardizing relevant business.

In terms of system establishment, Sinotrans continues to optimize customer and business opportunity management, by updating and releasing the Sinotrans Regulations on the Management of Strategic Marketing System Development, whereby customer classification management, synergy mechanisms, and management requirements are clarified to provide institutional assurance for strategic customer marketing and service quality management.

To ensure the effective operation of the delivery quality management system, Sinotrans has gradually built a three-tiered operation and quality management organisation aligned with that system, forming a quality management structure that permeates all levels of the organisation.

Organisational Hierarchy	Main Responsibilities
Headquarters	To take responsibility for top-level planning and system design, tool establishment and standard formulation; To conduct quality monitoring, exception follow-up and regular review through the order management centre.
Second-tier subsidiaries	To undertake responsibilities of quality management and operational monitoring, prepare monthly quality reports, and coordinate resources to promote the rectification of problems.
Operating units	To focus on operational execution, tool application and continuous improvement, and implement front-line delivery quality management.

The Company has established three standardized management systems: ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System, thereby comprehensively supporting the standardization and efficient management of the Company's business operations.

2. Strategy

In response to strategic and industry customers' higher requirements for delivery timeliness, information transparency, responses to exceptions, and service synergy, Sinotrans adopts the customer-oriented approach to systematically promote service and operation transition. It has built a delivery quality management system driven by quality outcomes, and takes the strategic customer management system as an important support to promote the synergistic improvement of service capability and customer value.

(1) Building a management strategy centred on delivery quality

Around the trend of increasing delivery complexity and diversifying service scenarios, Sinotrans, in delivery quality management, systematically embeds quality requirements into business processes and management systems, gradually forming a general quality management strategy characterized by process and systemisation, providing a unified direction for the scope definition, organisation design, and operation mechanism of delivery quality management.

Direction of quality management strategy	Key connotations
Continuously improve timeliness and accuracy	Focus on lean operations and digital technology to continuously improve delivery timeliness and service quality.
Enhance information transparency and traceability	Improve information transparency in the process to achieve in-transit visibility and process traceability.
Build a smooth customer communication and feedback mechanism	Advocate the concept of service creating value, emphasise customer relationship management, and form a smooth, mesh communication and feedback mechanism.
Provide customized services based on standardized capabilities	Provide flexible and personalised customised services on the basis of standardised service capabilities.
Fully implement ESG philosophy	Integrate ESG philosophy into the entire process of delivery quality management.
Improve supplier management standards	Continuously improve the procurement and supplier management system to enhance collaboration and fulfillment capabilities.

(2) Supporting service and quality strategy implementation with the strategic marketing management system

In implementing the delivery quality management strategy, Sinotrans regards strategic customers as a key entry point. The Company continues to improve the development of its strategic marketing management system, systematically enhancing the resource allocation and coordination management capabilities of strategic customers, and ensuring that service quality requirements are prioritised for key customers and key industries.

By continuing to conducting market insight, the Company has completed portraits of leading customers in industries such as automobiles and green energy, and continues to refine its assessment of industry trends and customer needs with reference to customer logistics needs collected from the CRM system. Building upon this foundation, we have defined a specialized marketing strategy centered on three key directions: serving national strategic priorities, generating commercial value, and unlocking critical potential. This approach focuses on ten priority industries and 146 leading clients within those sectors, establishing key directions for customer base expansion and service delivery. Accordingly, we have formulated differentiated service and collaboration strategies tailored to these objectives.

In terms of customer management and collaboration, the Company continues to improve the strategic customer coordination and management mechanism, strengthening the synergistic collaboration between the headquarters and subordinate units through a unified customer management platform and institutional arrangements, and promoting the coordinated allocation of service resources and the integrated implementation of service solutions.

In terms of organisation and mechanism assurance, Sinotrans encourages various second-tier companies to improve marketing organisation and development, gradually building a vertical marketing organisation system, and strengthening internal collaboration through cross-organisational industry-based virtual teams. At the same time, the Company explores the establishment of a customer management synergy assessment mechanism, clarifies the implementation path, and verifies the effectiveness of the mechanism through pilot methods, thereby providing support for continual optimisation of customer management and service synergy.

(3) Building a "customer-centric" customer satisfaction management system

Against the backdrop of increasingly fierce industry competition, customer satisfaction has become an important indicator for measuring an enterprise's core competitiveness. High satisfaction can promote the spread of an enterprise's reputation, reduce market resistance coefficients, help the enterprise establish a differentiated advantage in market competition, and enhance customer stickiness. Conversely, low customer satisfaction will lead to an increase in customer churn rate and may even trigger the spread of negative word-of-mouth, causing damage to the enterprise's market share and brand image, placing the enterprise in a passive position in competition and making it difficult to attract and retain high-quality customer resources.

Sinotrans has built a "customer-centric" customer satisfaction management system and proposed initiatives such as tiered customer management, digital empowerment, green transformation, full-process surveys, and targeted improvements, aiming to continuously improve comprehensive customer satisfaction, enhance customer stickiness, and promote the growth of both the depth and breadth of customer cooperation.



Tiered customer management

Establish dedicated service teams for strategic and high-revenue customers to provide customized services; optimize online service processes for small and medium-sized customers, focusing on enhancing full-chain service capabilities and overseas resource coverage

Digital empowerment

Upgrade the online logistics service platform to achieve full-process coverage of "online ordering – visual tracking – intelligent early warning"





Green and low-carbon transformation

Integrate customers and partners into the corporate green ecosystem to collaboratively reduce emissions, deepen cooperation, and enhance supply chain resilience

Full-process surveys

Establish a professional tracking and survey mechanism for customer satisfaction





Targeted improvements

Establish a "churn warning list" and implement targeted improvements based on customer complaints and feedback suggestions

3. Impact, Risks and Opportunities Management

In the logistics services involving multiple businesses, regions, and stakeholder engagements, cargo damage and shortage, document errors, operational safety, delivery timeliness, and emergency response capability are key factors affecting customer experience and service quality. To address these impacts and risks, Sinotrans has first identified the scope of delivery quality management and built process control and risk response mechanisms accordingly.

Sinotrans' delivery quality management revolves around three core scenarios: "delivery – timeliness – emergencies", and takes organisation, process, mechanism, and system as basic supports to form a systematic management scope.

On this basis, the Company strengthens the monitoring and warning of key nodes and abnormal situations through process standardisation, system support, and organisational collaboration, and promotes delivery quality management to transition from result-based control to process-based control and forward-looking risk management.



Fundamental Support

Organisation	Process	Mechanism	System
Front-end order organisation	Complete business processes	Top-to-bottom KPI indicators	Unified order system
Layered delivery and quality organisation	Effective quality monitoring and management processes	Efficiency mechanisms for delivery monitoring and processing	Operational delivery system
Clearly defined relevant organisations and positions		Post-oriented incentive mechanisms directly linked to roles	Operational node delivery control system

Case **Sinotrans safeguarded the China Pavilion at the World Expo, promoting Chinese culture with logistics responsibility**

In constructing the China Pavilion at the Expo 2025 in Osaka, Kansai, Japan, to address challenges such as the transport of thousands of tons of oversized steel structures and complex customs clearance, the Company innovatively adopted the batched transport model of "container + bulk carrier", and applied digital customs clearance technology to reduce the lead time. During the New Year and Spring Festival holidays, all employees were stationed at their posts, completing the full-process distribution of 13 containers in 48 hours, helping the China Pavilion become the first overseas self-built pavilion to have its main body topped out at the Expo 2025 in Osaka.



Case **Sinotrans safeguarded the 100-metre "steel wings" to complete extreme transportation in Saudi Arabia**

In 2025, Sinotrans successfully completed the extreme transportation mission of 98-metre wind turbine blades for the Saudi wind power project. Facing multiple challenges such as oversized dimensions, 700-kilometer traverse of high-temperature desert and unpaved Gobi terrain, ground temperature approaching 70°C, and narrow city roads, the project team adopted a multi-axle hydraulic flatbed trailer system, innovatively applied precision modeling technology, implemented full-process safety control, and achieved the extreme traverse of the 103-meter vehicle-cargo combination. This transportation not only sets new record for the large-scale logistics in the Middle East, but also provides solid logistics support for Saudi Arabia's energy transition with professional and efficient full-chain solutions, highlighting Sinotrans' top-tier capabilities in the large-scale transportation.



In terms of improving customer service quality, Sinotrans continuously monitors customer satisfaction and customer complaints. The Company has formulated the Satisfaction Survey Manual and organizes annual customer satisfaction surveys to understand customers' requirements, opinions, and suggestions, and promptly formulates improvement plans and optimization measures based on customer feedback. Regarding customer complaints, the Company conducts thorough investigations and responds to and handles them promptly with a proactive attitude to maintain good customer relationships.

Sinotrans Customer Satisfaction Survey Mechanism

Preparation	Establish a timeline in accordance with the *Satisfaction Survey Manual*.
Questionnaire	Design and optimize the questionnaire content to ensure it is rigorous and aligned with actual needs.
Survey	Listen to the voices of customers through channels such as email, SMS, and telephone; use the Sinotrans Sample Feedback System to achieve real-time updates of sample recovery status and online integrated processing of sample information modification requests.
Analysis	Conduct a detailed analysis of customer satisfaction survey results based on the UCSI structural equation model to identify key areas for improvement; conduct in-depth analysis of specific causes for customer complaints and grievances to promote problem resolution.
Rectification	Carry out relevant service improvements based on the identified directions for enhancement; conduct satisfaction tracking surveys on the handling of complaints to form a closed-loop management.

2025

The Company received no reports of major liability accidents related to service safety and quality, and the overall operation of our customer services remained stable.

4. Indicators and Targets

Focusing on strategic customer service and delivery quality management, Sinotrans takes improving service stability and customer experience as its guiding objective, and is gradually establishing a management target system centred on customer coverage, delivery operations, and customer feedback. The Company continues to track service and quality management results through information system support, process monitoring, and customer satisfaction assessment.

Our Targets	Achievement of the Targets in 2025
To implement unified coordination and management for strategic customers	The headquarters implemented "head-to-head" coordination and management for 24 strategic customers.
To promote the comprehensive application of the CRM system in customer management	All second-tier subsidiaries have implemented the CRM system, covering 26,014 customers.
To comprehensively understand the level of customer satisfaction with the Company's services, identify service shortcomings through quantitative analysis and in-depth feedback assessment, and provide a basis for optimising the service quality and enhancing customer loyalty.	• Customer response and analysis: A total of 2014 customers responded to the survey. Among those customers, 944 customers contribute more than RMB5 million in revenue, accounting for 89.48% of the total responses. • Survey results: The overall score of customer satisfaction evaluation in 2025 was 94.18, with 97.52% of customers being satisfactory with the Company. • Re-visit and improvement: We re-visited the customers who gave low scores in the previous year's customer satisfaction survey or were involved in complaints, and successfully recovered 117 samples.
To improve customer satisfaction, reduce customer complaint rate and effectively handle customer complaints.	According to the feedback from the 2025 customer satisfaction survey, the number of complaints was 96, with a complaint rate of 4.77%, representing a decrease of 0.12 percentage points as compared with 2024. The customer satisfaction score for the handling of complaints was 78.44.

(III) FORGING A SECURE AND RESILIENT SUPPLY CHAIN

Sinotrans regards transportation capacity guarantee as an important foundation for supporting stable business operations and customer service capabilities. By building a standardised and transparent supply chain governance system, implementing systematic supplier management strategies, and strengthening risk identification and control mechanisms, we continue to improve the stability, reliability and sustainability of the supply chain.

1. Governance

Sinotrans has established a supply chain governance system with hierarchical responsibility and centralised management for procurement. In accordance with the internal control principles of separation among procurement, management and supervision, and the working requirements of openness, fairness, impartiality and good faith, the Company carries out various procurement and supplier management activities in a standard manner to safeguard the regulated, orderly, and controllable allocation of transportation capacity resources.

In terms of organisational structure[32], Sinotrans implements a centralised management mechanism for procurement:



- As the functional department of procurement management at the headquarters, the operation and digitalisation department is responsible for the procurement system development, performance management, coordination of disputes, and the digitalisation of procurement and supplier management.



- Functional departments at the headquarters, such as the product channel department, strategic development department, the department of innovation and research and development, and the president's office, implement centralised management over procurement of logistics operation services, engineering construction and equipment, information technology, and administrative categories respectively.



- The internal control management department, internal audit department and supervision departments at all levels ensure the regulated operation of procurement activities from the perspectives of evaluation, supervision and accountability respectively.

At the institutional level

the Company has established an institutional system covering key links such as supplier management, procurement management and assessment management, forming a "3+N" management mode with horizontal integration.

At the headquarters level

based on the *Implementation Rules of Sinotrans for Procurement Management (2024)* 《中國外運採購管理實施細則(2024 版)》 as the general outline, the Company has formulated the *supporting Measures of Sinotrans for Suppliers Management (2024)* 《中國外運供應商管理辦法(2024 版)》 and the *Implementation Measures of Sinotrans for the Management of Procurement Assessment Work (2022)* 《中國外運採購評審工作管理實施辦法(2022 版)》.

At the professional line level

the Company has formulated institutional documents such as the *Implementation Rules of Sinotrans for the Management of IT Procurement* 《中國外運 IT 採購管理實施細則》 and the *Management Rules of Sinotrans for Centralised Procurement of Production and Operation Equipment* 《中國外運生產經營設備集中採購管理細則》, covering all links and fields of procurement management.

Under the framework of the headquarters system, each subsidiary continuously optimises the approval process and authority settings in light of its own reality, and continuously improves the implementation effect of systems and processes. On the basis of hierarchical responsibility and centralised management, the Company is gradually strengthening the top-down management mode with horizontal integration.

[32] as of 31 December 2025

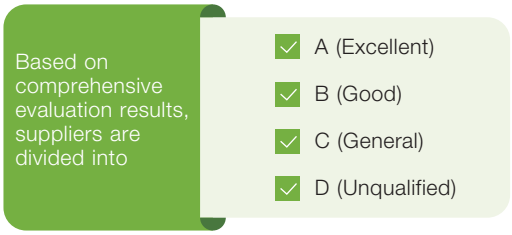
2. Strategy

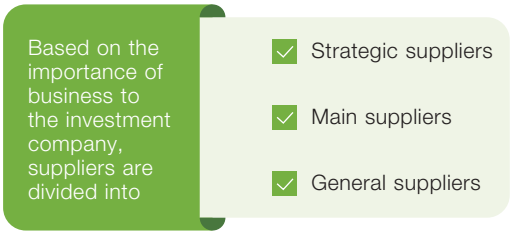
In order to ensure the stable supply of capacity resources and the enhancement of supply chain resilience, Sinotrans takes unified admission, dynamic evaluation and hierarchical cultivation as the core strategic orientations of supplier management. The Company's institutional arrangements guide the concentration of transportation capacity resources towards suppliers that are compliant, reliable and possess long-term cooperation potential.

At the level of supplier admission, the Company clarifies that each unit must select qualified suppliers from the supplier resource database for business cooperation in procurement activities (except for open procurement), and shall not select deactivated suppliers, thereby strengthening the control over the compliance and stability of transportation capacity resources at source.

On the basis of admission, Sinotrans has established a unified supplier evaluation system to conduct dynamic and quantitative evaluation of suppliers from dimensions such as contract fulfillment, qualification, integrity and market performance, objectively reflecting their comprehensive strength. Each unit simultaneously establishes a KPI assessment mechanism for supplier contract fulfillment, sets evaluation indicators and standards by category, and uses the evaluation results as an important basis for cooperation continuation, procurement quota allocation and hierarchical management, promoting the transition of supplier management from static admission to continuous assessment.

Based on the evaluation results, the Company has constructed a hierarchical and classified management mechanism for suppliers, implementing differentiated management from multiple dimensions such as evaluation grade, importance of cooperation and annual fee scale. Among them, suppliers are divided into four grades: A (Excellent), B (Good), C (General) and D (Unqualified) according to the comprehensive evaluation results. According to the importance to the Company's business, suppliers are categorised into strategic suppliers, main suppliers and general suppliers. Based on the annual expenditure scale, classified management is further implemented for suppliers to provide a basis for resource allocation and cooperation strategies.





According to procurement business needs and supplier grading results, the Company gradually cultivates strategic suppliers and main suppliers to promote the formation of a cooperation network for more stable transportation capacity. Eligible industry-leading enterprises may be recognised as strategic suppliers after approval, and carry out strategic cooperation in resource integration, business synergy and cooperation mechanisms. Strategic suppliers usually possess a stable cooperation foundation, good performance in contract fulfillment and large business scale, and both parties achieve optimised resource allocation and shared risk exposure over the long-term cooperation.

Meanwhile, Sinotrans establishes a continuous communication and exchange mechanism by holding regular strategic supplier meetings, and gives appropriate preference in terms of contract duration, payment cycles, procurement quotas and new business expansion to enhance cooperation stickiness and improve the certainty and synergy of transportation capacity guarantee.

3. Impact, Risks and Opportunities Management

Centering on the compliance risks, contract fulfillment risks, and environmental and social impacts that may arise during the transportation capacity guarantee, Sinotrans takes the whole lifecycle management of suppliers as an entry point to construct a systematic management mechanism that covers admission assessment, contract fulfillment monitoring, continuous improvement and capability building. While effectively preventing and controlling risks, the Company promotes the development of the supply chain towards a more efficient, green and sustainable direction.

(1) Identifying supply chain risks in advance

Sinotrans prioritises risk control in advance at the early stage of cooperation by establishing a unified supplier resource database and admission system. Each unit conducts systematic audits of proposed suppliers according to unified admission standards, covering both information audit and on-site inspection. Among them, the information audit focuses on suppliers' basic information, qualification certificates, product or service scope and integrity. The on-site inspection focuses on conformity verification around suppliers' production and business premises, production or service capabilities, project sites and service cases. Suppliers can only participate in procurement activities within the permitted scope after passing the admission audit and being assigned a corresponding classification catalogue, reducing compliance and fulfillment risks of transportation capacity resources at source.

Meanwhile, the Company's strict supplier assessment mechanism incorporates ESG performance into the assessment scope, and comprehensively examines suppliers' practices in sustainable development. Suppliers that demonstrate outstanding ESG performance are prioritised for cooperation, and improvement plans are jointly formulated with them during the cooperation process. The continuous audit and supervision will help promote their compliance with relevant requirements in the long term.

(2) Promoting green procurement practices

In selecting raw materials and consumables, Sinotrans prioritises the use of environmentally friendly, renewable and recyclable materials, and works with suppliers to explore ways to reduce material waste and improve resource utilisation. For disposable consumables, reusable materials are prioritised as replacements where conditions permit, such as replacing the stretch film used for palletising in the warehouse with reusable magic straps, promoting resource conservation and recycling.

(3) Strengthening energy management and emission reduction synergy

The Company pays attention to both energy consumption and emission issues in the operation of the supply chain. Energy-saving equipment and technology are adopted to improve the energy efficiency, and the use of renewable energy is explored to reduce dependence on traditional fossil fuels, thereby promoting the implementation of emission reduction measures in the supply chain.

(4) Focusing on improving operational efficiency

In utilising the transportation capacity, Sinotrans reduces transportation mileage and empty vehicle rates by scientifically planning transportation routes and improving operational organisation efficiency, and where conditions permit, adopts more environmental means of transportation such as electric vehicles to lower resource consumption and environmental impact during its business operation.

(5) Strengthening employee capability building

The Company provides sustainability training sessions for employees in supply chain-related positions to enhance their environmental awareness and social responsibility, ensuring they understand the Company's sustainability goals and strategies and implement relevant requirements in their daily work.

(6) Strengthening supplier training and guarantee

For service suppliers involved in initial collaboration or new business activities, the Company organises systematic training on business processes, business points and safety practices prior to the commencement of formal business activities. Only after passing the training, they can enter the cooperation stage, during which the Company continues to keep track of operational quality and formulates and implements emergency plans for business operations. In light of actual business needs, each unit organises special training sessions focused on business requirements, capability enhancement, performance improvement and safe operation, and incorporates training site photos, sign-in records, meeting minutes and relevant documents into supplier file management to consolidate the long-term foundation of transportation capacity guarantee.

4. Indicators and Targets

Sinotrans evaluates the management effectiveness related to transportation capacity guarantee by continually monitoring the operation of procurement and supplier management, and communicates key indicators to the management and relevant parties on a regular basis.

Channel construction

Sea freight channel: On the basis of ensuring service support for American and European routes, we have integrated service resources, with a focus on enhancing channel capacity for Southeast Asia, the Middle East, India-Pakistan, Japan-South Korea, Latin America, and domestic trade routes.



Air freight channel: We have continuously optimized the allocation of capacity resources, with controllable capacity (fixed capacity) growing steadily. We have steadily operated 5 charter routes with 15 weekly flights, and controllable capacity (fixed capacity) at 293,000 tons.

Land freight channel: The cumulative shipment volume of international railway express surpassed 2 million TEUs, with routes such as China-Europe, China-Russia, China-Central Asia, China-Vietnam, and China-Laos basically covering the entire Eurasian region.

Road transportation channel: The scale of controllable capacity has grown steadily, with social controllable capacity resources reaching 350,000 units, and the centralized procurement coverage rate of capacity reached 100%.

Supplier management



For the full year of 2025, the Company conducted a self-inspection of 17,224 procurement projects, and 377 projects were found to have problems, accounting for 2.19%, representing a decrease of 0.42% compared to the same period of the previous year, reflecting the continuous improvement in the regularity of procurement and supplier management. Currently, there are a total of 45,682 suppliers[33], with 8,271 classified as Grade A suppliers, accounting for 17% of the total.

Supply chain talent reserve



14 individuals have received the authoritative certification as supply chain management experts from CFLP.

[33] Represents the number of suppliers registered in the supplier management system that are not deactivated

(IV) DATA SECURITY AND PRIVACY PROTECTION

As digital operations and global business continues to deepen, data has become a core strategic asset of Sinotrans. The Company regards data security and privacy protection as an important foundation for safeguarding business continuity, maintaining customer trust, and supporting high-quality development. By improving the governance system, identifying strategic positioning, and constructing a full-process management mechanism, the Company systematically enhances its data security and privacy protection capabilities, with management effectiveness continuously verified through measurable indicators.

1. Governance

Sinotrans takes laws, regulations, and Group policy frameworks as its fundamental basis for compliance, and has built a data security and privacy protection governance system with clearly defined rights and responsibilities and well-ordered operation.

The Company strictly adheres to national laws and regulations such as the Data Security Law of the People's Republic of China, the *Personal Information Protection Law of the People's Republic of China*, and the *Cybersecurity Law of the People's Republic of China*. On this basis, the Company formulated and implemented the Data Security Management Measures of Sinotrans Limited《中國外運股份有限公司數據安全管理辦法》as the core system of the Company's data security management, controlled and consolidated financial statements, and sets out systematic requirements for security protection throughout the whole data lifecycle. Meanwhile, the Company continues to promote the standardised operation of network and data security management based on the *Network Information Security Management Measures of Sinotrans Limited (October 2025 Edition)*《中國外運股份有限公司網絡信息安全管理辦法(2025 年 10 月版)》.

In line with the organisational structure, the Company embeds data security and privacy protection responsibilities into the four levels of "decision-making, management, implementation, and supervision", forming a unified and coordinated data security governance mechanism.

Level	Organisational Composition[34]	Core Responsibilities
 Decision-making level	Network Security Leading Group (which is comprised of the leadership of the Company)	It serves as the highest decision-making body for the Company's data security and privacy protection, responsible for deliberating on relevant major matters, identifying the overall work direction and management requirements, and making overall decisions on data security and privacy protection work.
 Management level	Network Information Security Working Group (with the Chief Digital Officer as the group leader, the General Manager of the Department of Innovation and Research and Development (Sustainability Department) as the deputy leader, and heads of various departments at the headquarters, leaders in charge of digitalisation of subsidiaries or leaders in charge of network information security, and network security contacts of each unit as members)	Authorised by the decision-making level, it organises and promotes the overall deployment and coordination of data security and privacy protection-related work, coordinates resource allocation, and guides each unit in implementing relevant management requirements.
 Implementation level	Network Information Security Team (including network information security officers of the headquarters and various subsidiaries) and data ownership units	It takes responsibility for the specific implementation of data security and privacy protection work, including the implementation of relevant strategies, the execution of technical and management measures, and daily management and business support, which ensures that various requirements are implemented in actual operations.
 Supervision level	Led by the Risk Management Department, Legal and Compliance Department, and Audit Department	It conducts independent supervision over data security and privacy protection, including carrying out inspections and audits, and promoting the rectification of issues identified, thereby ensuring the effective operation of the governance system.

[34] As of 31 December 2025

In terms of professional support, the Company has established a professional team consisting of data security engineers, privacy protection officers, and legal advisors, who will carry out work around data security strategy formulation, technical implementation, compliance review, and user services, and perform duties independently within the scope of authorisation.

Meanwhile, the Company has established an information reporting mechanism covering the headquarters and its subsidiaries. Depending on the nature and urgency of incidents, a reporting system of timely, daily, monthly or quarterly reports is implemented through written reports, emails, and instant messaging tools to ensure the smooth information flow and timely response.

In terms of supervision and assessment, the headquarters takes the lead in conducting inspections on the data security management of partners, focusing on key aspects such as contracts and confidentiality agreements, system accessibility, authority management, entity authorisation, behaviour surveillance and data destruction, and urging the rectification of problems identified. The implementation of data security work is incorporated into the reward and punishment management, in accordance with the *Network Security Management Measures of Sinotrans Limited (October 2025 Edition)*.

2. Strategy

The Company clearly identifies privacy protection as one of its core competencies and is committed to building a comprehensive and multi-layered safety protection system.

In terms of management strategy, the Company focuses on the following directions:

- First, enhancing differentiated protection capabilities for different types of customer data through data classification, grading, and encryption management.
- Second, implementing strict access control mechanisms to ensure that the access and use of data are explicitly authorized and traceable.
- Third, strengthening safety auditing and continuous monitoring to promptly identify potential risks and carry out corrective actions.
- Fourth, strengthening training and publicity to promote the effective implementation of privacy protection requirements in daily operations.

In adjusting business models, the Company actively embeds the concept of customer privacy protection into the whole process of the product and service design in response to higher customer expectations for data security and privacy protection. Meanwhile, the Company explores extending privacy protection capabilities to the field of compliance services, and provides professional data security and privacy protection solutions to external enterprises, thus expanding business boundaries and enhancing market influence while preventing risks.

Through the aforementioned strategic planning and implementation paths, the Company is gradually realising the transformation of customer privacy protection from compliance requirements to the value-creation element, providing strong support for the long-term steady development of the enterprise.

3. Impact, Risks and Opportunities Management

The Company systematically identifies key risks in the field of customer privacy protection through continuous risk assessments, mainly including internal data leakage risks, external network attack risks and data compliance risks. Upon occurrence of these risks, they may have a direct impact on business continuity and damage the Company's reputation and customer trust in the medium to long term, with the extent of the impacts usually significantly intensifying as data sensitivity increases and the scope of leakage expands. Meanwhile, the Company also identifies positive opportunities brought by the improvement of privacy protection capabilities. The continuity in strengthening customer privacy protection helps enhance the foundation of customer trust, consolidate our market competitive advantages, and lay the groundwork for expanding compliance-related services, forming a development path that emphasises both risk prevention and value creation.

(1) Risk Management Process for Data Security and Customer Privacy Protection

The Company has constructed a sound risk management process for data security and customer privacy protection to conduct continuous identification, assessment, prioritisation and monitoring of relevant impacts and risks. By systematically combing business scenarios and data flows, the Company will identify potential privacy protection hazards in a timely manner, and priority is determined based on the likelihood and impact of risk occurrence to determine key prevention and control targets.

During the risk management process, the Company focuses on dynamic monitoring and continuous tracking, taking corresponding management measures for identified risks, and conducting regular review the risk status and making relevant adjustments based on changes in the external environment and internal business development to ensure that the privacy protection management is targeted and effective.

(2) Main Management Measures for Data Security and Customer Privacy Protection

Sinotrans promotes data security and customer privacy protection through the synergy of governance systems, technical protection and capability building:

- First, to continue to improve the data governance system and clarify data security and privacy protection standards to ensure that various information systems meet established protection requirements during design, construction and operation.
- Second, to strengthen the technical guarantee through system security protection means, and comprehensively apply measures such as firewalls and encryption technology to effectively prevent data leakage and unauthorised access.
- Third, to establish and implement an emergency response mechanism for data leakage and security incidents, and formulate clear disposal processes for possible privacy protection incidents to ensure rapid response and effective disposal when incidents occur, thereby minimising adverse impacts.
- Fourth, to continuously verify the operational effect of the data security and customer privacy protection management system through regular reviews and evaluations, and promote the optimisation and upgrade of systems and technical measures based on the evaluation results.
- Fifth, to organise specialised training sessions on customer privacy protection to enhance employees' understanding and execution of privacy protection requirements, and promote a management culture where all employees participate in and jointly safeguard customer privacy.

(3) Information Confidentiality Management

The Company conscientiously implements confidentiality responsibilities, continuously strengthens confidentiality management, establishes and improves confidentiality work systems and management systems, and innovates confidentiality publicity and education methods. It comprehensively strengthens confidentiality effort through the *formulation of the annual Key Points for Confidentiality Work of Sinotrans* 《中國外運保密工作要點》. At the same time, the Company clarifies the responsibilities of institutions for confidentiality, regularly holds meetings of the Confidentiality Committee, and strengthens the management of confidentiality-related personnel and equipment. In conjunction with the confidentiality publicity and education month of "Every Citizen Is Responsible for Building a Confidentiality Line of Defence Together", the Company carried out a series of publicity and education activities such as confidentiality-themed posters on the wall, and organised more than 6,400 people across the system to complete online confidentiality training; conducted confidentiality self-inspection work at the headquarters of Sinotrans, and improved the capability and level of technical confidentiality protection by installing terminal confidentiality self-inspection software; regularly conducted routine confidentiality inspections on key areas and links, combined with special supervision, to ensure that confidentiality work achieves practical results.

(4) Customers' Right to Know and Data Subject Rights Protection Mechanism

The Company attaches great importance to customers' right to know and right to choose. Prior to collecting personal data, through clear privacy policies, user agreements, and immediate notification, the Company explicitly explains the nature and purpose of the collected data to customers to ensure information transparency. At the same time, by providing convenient authority management settings and clear channels for exercising rights, it fully protects customers' decision-making power over their data throughout the entire process of collection, use, retention, and processing, including accessing, correcting, and deleting personal information, as well as managing authorization preferences or withdrawing consent. The Company continuously establishes and maintains a solid trust relationship with customers through transparent and standardised data practices.

(5) Data Leakage and Network Security Incident Emergency Management

To effectively respond to network security incidents such as data leakage, the Company revised and implemented the Sinotrans Limited Network Security Emergency Plan (October 2025 Edition) during the Reporting Period. The plan clearly establishes a professional response team composed of an emergency command group and an emergency disposal group, implementing the emergency disposal principle of "hierarchical management and top-down linkage".

Once a suspected data leakage incident is identified, the Company will immediately activate the emergency process, analyse and judge the incident, confirm the scope of the impacts, and implement reporting and response according to the incident level. The emergency disposal group will carry out operations such as containment, elimination, and system recovery according to established plans or special disposal schemes, and properly preserve the evidence throughout the process. After the incident disposal is completed, the Company will complete result verification, system recovery, and review reports according to regulations, promoting experience solidification and safety reinforcement, and forming a closed-loop management.

(6) Key Information System and Hardware Equipment Backup Management

To ensure business continuity and data security, the Company has established a comprehensive and reliable backup system for key information systems and hardware equipment. Relying on cloud resources and same-city computer rooms, the Company builds disaster recovery computer rooms, configures automated regular backup mechanisms for important information systems and core data, and ensures fast and complete recovery in case of emergencies.

At the hardware level, the Company implements necessary redundancy configurations and disaster recovery backup strategies for its core network equipment, servers, and storage equipment, and carries out regular backup effectiveness verification and recovery drills, significantly improving the availability and resilience of its infrastructure. This system of strategies effectively reduces business risks caused by hardware failure, system interruption, or network security incidents.

(7) Information Security Review and Continuous Improvement Mechanism

The Company has established a systematic and normalised information security review mechanism. During the Reporting Period, the network information security team of Sinotrans organised subsidiaries to carry out the self-inspection over our network security, and strictly followed the closed-loop management principle of "discovery – rectification -verification" to timely implement management and technology reinforcement measures for identified weak links. With such work moving forward, the Company continues to improve the overall level of safety protection, providing strong support for safeguarding customer data assets and preventing potential risks.

(8) Third-party Verification of Management Capabilities

Building on its sustained operation and continuous improvement of the management system, Sinotrans has earned authoritative recognition for its data security management capabilities. The Company obtained the Data Security Capability Maturity Model (DSMM) Level 3 certification, indicating that it has formed a relatively mature data security management system in terms of organisational structure, system process, technology tools, and personnel capability.

4. Indicators and Targets

Focusing on the key risk areas of data security and customer privacy protection, Sinotrans sets phased management targets after taking into consideration business reality and compliance requirements, and continues to track and test the target achievement status through the specific project promotion and systematic assessment, thereby continually strengthening the foundation of data security governance. During the Reporting Period, the Company focused on two key directions: data cross-border compliance and internal system security to promote the related work, and the core management indicators were generally achieved.

During the Reporting Period

the Company did not identify any incident involving data security or customer privacy leakage.

(1) Data Cross-border Compliance Targets and Achievement:

During the Reporting Period, the Company continued to promote the *Sinotrans Cross-border Data Compliance Solution – EU Data Inbound Transfer Compliance Project* 《中國外運數據跨境合規解決方案－歐盟數據入境合規項目》, focusing on the business scenario of EU data inbound transfer, conducting risk assessments on relevant systems, and implementing compliance improvements in accordance with the requirements of relevant EU laws and regulations. At present, the risk assessment and improvement work involving the systems have been completed, the Transfer Impact Assessment (TIA) report has been formally issued, and the periodic targets of the first phase have been successfully realised.

In the future, the Company plans to promote data inbound transfer compliance projects in regions such as Southeast Asia, the Middle East, and Latin America, as well as data outbound transfer compliance projects from China in stages, gradually building a cross-border data compliance system covering data inbound and outbound transfer, and implementing differentiated management according to the regulatory requirements of different countries and regions.

(2) Internal System Data Security Governance Targets and Achievement:

During the Reporting Period, the Company conducted data security risk assessment over 13 important systems and formed corresponding risk assessment reports. In view of management and technology problems identified in the assessment, the Company proposed and promoted the implementation of rectification measures, and continued to promote the implementation of technology measures such as data classification and grading, database encryption, and data dynamic desensitization.

The completion of relevant work laid the foundation for the subsequent roll-out of normalised data security assessments, and also further improved the Company's overall level of data security protection. Annual data security governance related targets have been promoted and achieved as planned.

(V) ASSISTING SMALL AND MEDIUM-SIZED ENTERPRISES IN ACHIEVING HIGH-QUALITY DEVELOPMENT

Sinotrans always abides by relevant laws and regulations, treats small and medium-sized enterprises equally, and is committed to protecting their legitimate rights and interests. The Company has optimised its internal management rules to ensure timely payment of funds to small and medium-sized enterprises and maintain good business credit. During the Reporting Period, Sinotrans had no overdue payments and did not publicise any information on overdue payments to small and medium-sized enterprises through the National Enterprise Credit Information Publicity System.

VII. Promoting Diversity and Inclusion: Building a Growth-Oriented Organisation

Sinotrans consistently regards its employees as a vital cornerstone for the sustainable development of the Company, and is committed to fostering a diverse, equitable, inclusive and safe work environment. By improving the employee rights protection framework, refining the career development and training system, and strengthening occupational health and safety management, the Company continues to enhance employees' sense of accomplishment, belonging and cohesion, thereby promoting the mutual growth and collaborative development of the enterprise and its employees.

Topics Covered in This Chapter:
Employment and Protection of Interests, Talent Development and Training, Occupational Health and Safety

United Nations Sustainable Development Goals:



(I) BUILDING A DIVERSE AND INCLUSIVE WORKPLACE

Sinotrans adheres to lawful and compliant employment practices, and continues to improve the employment management and employee rights protection systems. Recognising regulated employment, equal recruitment, reasonable remuneration and employee care as important foundations for corporate human resource management, the Company promotes the formation of a stable, inclusive and sustainable employment environment, thereby providing solid talent support for the high-quality development of the enterprise.

1. Talent Attraction and Retention

As of 31 December 2025, Sinotrans had a total of 31,953 employees, including 30,066[35] registered employees. In 2025, the number of new recruits was 1,539. While continuing to advance our international operations, the Company adopts local employment practices in accordance with the laws of the countries and regions where its overseas businesses are located, with a total of 2,252 registered local employees in the overseas market. In the process of domestic and overseas employment, the Company strictly follows local laws and regulations to protect the legitimate rights and interests of its employees in different employment forms.

In 2025, Sinotrans continued to promote gender equality in the workplace, striving to create a fair and inclusive development environment for female employees, which is reflected in a high level of participation of women in corporate governance and business decision-making.

During the Reporting Period

The percentage of full-time female employees in the Company maintained a steady increase, further growing to **39.42**% as compared with the previous year. In terms of the composition of the management, the percentage of female members on the Board was **25**%.

During the Reporting Period, Sinotrans reported an overall employee turnover rate[36] of approximately 5.58% (as compared to 7.07% in the same period of the previous year), of which the voluntary resignation rate was approximately 3.47% (as compared to 4.81% in the same period of the previous year), with the overall level decreasing by more than 20% compared to the past two years. With the continuous implementation of talent attraction and retention measures, the turnover rate of employees in all age groups has shown a continuous downward trend in the past two years, and the turnover rates in Chinese Mainland, Hong Kong, Macao and Taiwan have also decreased concurrently. From the structural perspective, departing employees are mainly concentrated in entry-level positions such as drivers and warehouse keepers. As a result of factors such as the high degree highly standardized job rules and intense industry competition, the mobility of personnel in such positions is comparatively high. Overall, the Company's employee turnover rate is lower than the industry average, which aligns with the employment characteristics and development reality of the logistics sector.

[35] Registered employees refer to contracted employees who have signed labour contracts according to law, while total employees also cover other lawful employment forms such as dispatched labour.

[36] Overall employee turnover rate is an indicator that measures the internal flow of human resources in an enterprise, referring to the proportion of employees who terminate their labor relationships with the enterprise due to resignation, dismissal, and other reasons within a certain period (the Reporting Period) to the average total number of employees. The employee turnover rate = number of departing employees/[(number of employees at the beginning of the period + number of employees at the end of the period)/2]*100%.

In terms of talent recruitment, the Company has established a robust institutional framework, and formulated and implemented the *Administrative Guidelines on Corporate Recruitment*, which clearly specifies the recruitment principles of "Appointment Based on Merit, Virtue and Talent; Selection of the Best through Transparent and Equal Competition", and put forward systematic requirements for recruitment processes and employment compliance. Recruitment activities are in strict compliance with the relevant laws, regulations and policies of the government and the localities to prevent unlawful employment and practices that violate policy requirements at an institutional level.

Through institutional constraints and process controls, the Company explicitly prohibits the use of child labour and any form of forced labour, and incorporate relevant requirements into the whole recruitment management process in advance.

Sinotrans strictly implements the following requirements:

First, all applicants are required to complete real-name registration through official designated online channels to ensure that the information is true and accurate;

Second, the verification of age eligibility in advance is strengthened by explicitly prohibiting personnel under the age of 18 from entering the interview and employment stages to effectively prevent the risks of child labour at source during the recruitment process.

Regarding compliance risks in recruitment and employment management, if any violation is identified, the Company will immediately stop the relevant behavior and suspend the recruitment process, carry out a full-process investigation to determine the nature and scope of influence and causes of such violation, and clarify the responsible entities according to law and implement rectification measures. Furthermore, the Company will simultaneously organise compliance training sessions for relevant personnel, as part of its ongoing efforts to optimise the relevant systems and processes to prevent the reoccurrence of similar issues.

To improve the regularity and efficiency of recruitment management, the Company has uniformly established a recruitment management platform and collaborated with a number of recruitment service providers to promote the standardised management of recruitment processes through systematic tools. Meanwhile, the Company continues to strengthen its employer branding and optimise the recruitment resource allocation mechanism, with the headquarters coordinating campus recruitment activities to advance and deepen the recruitment practices towards a more scientific, standardised and digitalised direction.

Staff Catrgory	Employee Statistics[37]	Number/Percentage (%)
Ethnic minority employees	Number of ethnic minority employees	854
	Proportion of ethnic minority employees	2.84
Number of overseas local employees	Overseas local employees	2,116
	Proportion of overseas local employees	93.96
Demobilized military personnel	Number of demobilized military personnel	359
	Proportion of demobilized military personnel	1.19
Employees with disabilities	Number of employees with disabilities	62
	Proportion of employees with disabilities	0.21

[37] as of 31 December 2025

2. Safeguarding the Rights and Interests of Our Employees

The Company strictly adheres to relevant laws and regulations such as the *Labor Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and the *Law on the Protection of Minors of the People's Republic of China*, and regulates the procedures for signing, executing, modifying and terminating labour contracts according to law, ensuring that employees enjoy social insurance rights such as pension, healthcare, unemployment, work injury and maternity insurance according to law. Furthermore, the Company conscientiously fulfils social insurance contribution obligations to provide employees with stable employment relationships and comprehensive social security. During the Reporting Period, the Company did not identify any significant risks of child labour or forced labour in its business activities or specific countries and regions, nor were any cases of irregular employment identified.

Guided by its strategic planning, Sinotrans has designed a differentiated and long-term remuneration and benefits system tailored to different talent groups. During the Reporting Period, the Company continued to deepen the development of medium-to long-term incentive mechanisms, unleashing organisational dynamism through multi-dimensional incentives, and completed the exercise arrangements for the second exercise period of the Stock Option Incentive Plan (Phase I). Meanwhile, the Company established a fast-track development channel for management trainees, fostering the collaborative growth of high-potential talent and the enterprise and enhancing the sustainable development capability of the organisation through tailored compensation packages and systematic career security.

In terms of employee care, the Company implements various statutory benefits such as paid leave and high-temperature allowances according to law. Meanwhile, the Company introduced the "Dedication Award" (for 20 years of service) and "Loyalty Award" (for 30 years of service) long-term service awards program, organized an annual health checkup across all staff, and introduced professional institutions to provide on-site health consultation services, continuously enhancing employees' sense of accomplishment, belonging and identification with the organisation.

The Company's labour union has consistently upheld an employee-centric approach, rigorously fulfilling its duty to safeguard employees' lawful rights and interests. In 2025, the Company's labour union convened 4 employee representative meetings, during which motions concerning the interests of our employees, such as annual work of the labour union, were considered and approved. Meanwhile, the Company's labour union strove to foster a supportive and cohesive corporate environment through a diverse range of initiatives and care-oriented activities.

We hosted the Lantern Festival activity "Lanterns Reflecting the Lantern Festival, Embarking on a New Journey in the Year of Wood Snake", where employees celebrated the Lantern Festival of the Year of Wood Snake together.



We carried out the "Artemisia Fragrance for Dragon Boat Festival, Bringing Good Luck" themed activity. Utilising the traditional culture of the Dragon Boat Festival as the platform and integrating the traditional Chinese medicine (TCM) health regimen, the activity allowed employees to experience the festive spirit and learn health knowledge in a joyful atmosphere through fun interaction, handicraft experience and recreational sports.





(II) SUPPORTING EMPLOYEES' CAREER DEVELOPMENT

1. Governance

Sinotrans strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Trade Union Law of the People's Republic of China*, and has established a structured and capability-oriented career development system. The Company has formulated and implemented the *Administrative Measures for Positions and Career Development* and set up a Talent Development Management Committee as the management body for coordinating talent development planning, system construction and major decision-making.

2. Strategy

Centering on corporate strategic targets and high-quality development requirements, Sinotrans takes employee capability enhancement and career growth as an important pivot for human resource management. Through systematic career development path design and hierarchical and classified talent cultivation mechanisms, the Company continues to stimulate organisational vitality and promotes the collaborative growth of employees and the enterprise.

Based on the business attributes, responsibility boundaries and competency requirements of different positions, the Company has constructed a position framework that is categorized by career track and level, and characterized by diversity and differentiation, which further subdivides job roles and values, and sets corresponding grades accordingly to provide our employees with a structured and clear career development path. Through standardised selection and promotion mechanisms, employees can achieve vertical development and horizontal mobility in professional or management sequences based on their own capability enhancement and performance, enhancing the predictability and sense of fulfilment in career development.

To support the enhancement of employees' performance capabilities and long-term organisational development, Sinotrans has established a talent training system covering all employees throughout their career cycles. By continuously improving the training system and learning mechanisms, Sinotrans constantly expands the growth space for employees and promotes the collaborative achievement of personal capability enhancement and organisational development targets.

3. Impact, Risks and Opportunities Management

The Company systematically designs differentiated training content based on employees' levels and career development stages, and sets clear goals for talent development and training to ensure that human resource investment is aligned with business development directions. Training focuses on enhancing employees' professional skills, especially capabilities in key areas closely related to the Company's core competitiveness, while strengthening leadership and management capability cultivation to consolidate the foundation for future management pipeline development. Cross-departmental learning and exchange are also promoted to foster synergy awareness and innovative thinking.

As for training methods, a combination of online and offline modes has been adopted by the Company. For new employees, onboarding training is systematically organised to assist them in quickly understanding corporate culture and job requirements. For existing employees, the Company continues to provide professional skills training to solidify specific role competencies such as logistics operation standards and international trade rules. Meanwhile, management capability enhancement courses are introduced to provide systematic support for employees' career advancement.

Online

the "Yunzhihui" learning platform is utilised to integrate diverse course resources and support flexible learning

Offline

Sinotrans live lectures and special workshops are adopted to enhance interaction and practical application



Case Case: Sinotrans "Dual 100" Talent Program Training Session

In April and June 2025, Sinotrans organised training sessions for the "Dual 100" Talent Program in batches, focusing on internal talent discovery and pipeline development. Centering on the Company's medium-to long-term development needs, the program focuses on selecting a group of young management talents with solid professional foundations, strong management capabilities, outstanding performance and growth potential. Through systematic cultivation, reserve talent teams for senior management and mid-to-entry-level management are formed respectively. The project aims to achieve effective supplementation for core management positions within a short cycle, providing management talent guarantee for the Company's continuous and steady development.

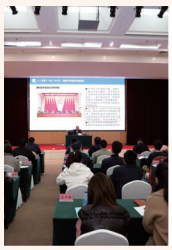


Case Case: First Training Session of Sinotrans G-Link Overseas Talent

In October 2025, Sinotrans hosted the first G-Link Overseas Talent training session at the Academy for International Business Officials (AIBO) of the Ministry of Commerce, with 50 trainees from the Company's overseas talent pool participating. Centering on the target of building an overseas talent team, the training comprehensively adopted multiple forms such as special lectures, sandbox simulations, on-site teaching and "talent markets" to build a multi-dimensional interaction and exchange platform, creating an immersive learning scenario and promoting experience sharing and mutual learning of capabilities. The training focused on enhancing trainees' political literacy, international vision and professional capabilities, striving to build a loyal, reliable, and hardworking international talent team to provide strong talent support for deepening the Company's global layout and consolidating its foundation for overseas development.

















4. Indicators and Targets

In 2025, the Company consolidated the foundation of its talent training system by comprehensively carrying out various special trainings to empower the comprehensive development of employees with systematic capability building, so as to practically safeguard the long-term growth rights and interests of employees.

Statistics of 2025 Annual Training Participants		Number of Trainees	Training Duration (Hours)	Average Training Duration (Hours)
General information on the training		30,829	1,934,133	62.74
Participants by gender	Male	18,086	1,085,341	60.01
	Female	12,743	848,792	66.61
Participants by employee type	Senior management (Persons in charge at all levels)	810	67,011	82.73
	Middle Management (Leaders of departments and project teams at all levels)	2,608	170,389	65.33
	General employees at various levels	27,411	1,696,733	61.90
Employee training sessions: 1,603,298				
Employee training coverage: 96.48%				

(III) PROTECTING EMPLOYEE HEALTH AND SAFETY

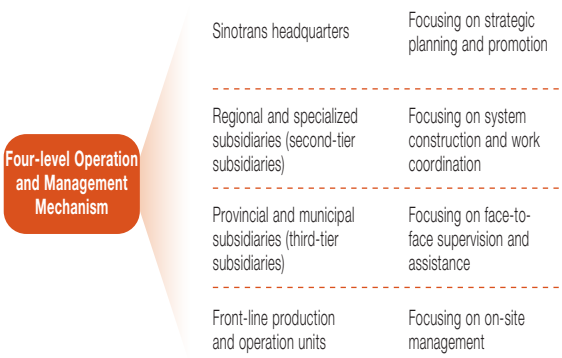
1. Governance

Sinotrans has always adhered to the principle of "Safety is Sinotrans' Top Priority", and regarded law-based compliance as the foundation of its operation. The Company strictly follows laws, regulations and industry standards issued by the government and ministries such as the Ministry of Emergency Management, the Ministry of Transport, the Ministry of Housing and Urban-Rural Development, and the *Ministry of Human Resources and Social Security, mainly including* the *Work Safety Law of the People's Republic of China*, the *Protection Law of the People's Republic of China*, the *Road Traffic Safety Law of the People's Republic of China*, the *Maritime Traffic Safety Law of the People's Republic of China*, the *Port Law of the People's Republic of China*, the *Special Equipment Safety Law of the People's Republic of China*, and the *Labor Law of the People's Republic of China*, etc., to continuously consolidate the rule-of-law foundation for production safety and promote the formation of an operational framework where activities are conducted in accordance with law and management is exercised on a lawful basis.

In terms of our system development, the Company has systematically constructed a safety management system and continuously carries out regulation identification and system evaluation based on changes in laws and regulations, industry requirements and the Company's transformation and development needs to continuously improve its management systems. In 2025, the Company revised systems such as the *Work Safety Management System*, the *Implementation Measures for Safety Risk Grading and Control* and the *Hidden Danger Investigation and Management*, the *Administrative Measures for Work Safety Accountability*, and the *Comprehensive Emergency Response Plan for Production Safety Accidents*, further clarifying management requirements, regulating operation procedures and strengthening system execution.

Sinotrans has established the "Six Major Systems" management framework and the "Four-level Management" operational mechanism for production safety and occupational health management, continuously enhancing systemisation and standardisation. Units at all levels have established Safety Production Committees and dedicated safety management departments, and the safety director system has been fully promoted in Category I safety supervision enterprises to strengthen professional management force allocation.





The Company has established a safety committee to coordinate production safety, and the Company and its asset-intensive subsidiaries have established dedicated safety management departments. In 2025, the Company is staffed by over 700 dedicated safety management personnel, and the percentage of certified professionals such as registered safety engineers and certified fire safety engineers has increased from 34% to 41%. Meanwhile, the Company has established and continuously refined the work safety responsibility system for the entire workforce and safety responsibility lists, pushing for the layering of safety responsibilities to every position and individual.

During the Reporting Period

Through special actions for production safety standardisation, **108** units obtained rating certification from industry regulatory authorities, including **54** Grade II and **54** Grade III standardisation units, and the operational level of the safety management system has been continuously enhanced.

2. Strategy

As a comprehensive logistics company, Sinotrans faces safety risks mainly in the areas of fire safety, warehousing operations, transportation, storage and transportation of hazardous chemicals, and special equipment. As a national leader in the logistics industry, Sinotrans consistently prioritizes the safety and well-being of the people, upholding the philosophy of "People First, Life First", and steadfastly implements strategies to strengthen safety through law, advance safety via technology, consolidate safety with talent, and enhance safety by culture. The Company is committed to fundamentally controlling all risk factors in its operations, striving toward an intrinsically safe and sustainable safety model. By advancing the modernisation of its safety production governance system and capabilities, the Company ensures high-level safety standards to support high-quality development.

In accordance with national and local requirements, Sinotrans provides its employees with benefits such as high – temperature work environment subsidies and meal subsidies to ensure basic protection for its frontline employees. In addition to the basic protection, the Company purchases employer liability insurance, accidental injury insurance and other supplementary commercial insurance for its employees to protect them from all kinds of dangers and hazards. Sinotrans organized health check-ups for its employees every year, thus forming a complete healthcare mechanism that consists of a physical examination for employees at the time of joining the Company and annual health check-ups for everyone.

3. Impact, Risks and Opportunities Management

During the risk prevention and control process, the Company proactively seizes management opportunities arising from digitalisation and informatisation, thereby enhancing the precision and foresight of safety management through technological empowerment. During the Reporting Period, 114 units launched the intelligent fire-fighting system, achieving basic coverage of self-owned warehousing and logistics parks, while continuing to promote the construction of the emergency command centre. The Company utilised general large language models to systematically review laws, regulations, corporate systems, inspection reports and hidden risk data to develop a safety AI assistant. Simultaneously, the Company initiated the construction of the road transportation safety management system platform to promote the transition of safety management from the experience-driven approach to the data-driven model.

By focusing on enhancing safety management execution and emergency guarantee capabilities, Sinotrans continued to promote the implementation of key safety management tasks during the Reporting Period. The Company conducted the "Thunder Operation" for production safety. The said operation was aimed at controlling major accidents and hazards in advance, strictly managing hot work, regulating the parking and charging of electric bicycles in parks, and systematically reviewing the combustion performance of building insulation materials and establishing full-cycle archives. Furthermore, the Company researched and formulated the *Safety Management Guidelines for Lithium-ion Battery Warehousing*, strengthening the full-chain safety control of "single matters" in key areas.

To develop personnel capabilities, the Company focuses on key positions and key groups by organising Centralized training on performance capabilities for the principal personnel in charge of frontline asset-intensive units in 2025, which has attracted 81 participants and promoted the implementation of safety responsibilities to the "core leadership", with the proportion of its own watchmen in fire control offices reaching 50% in 45 units. In addition, the Company successfully assisted in handling 4 external fire accidents in surrounding areas, effectively demonstrating its emergency disposal capabilities and level of coordinated response.





Centralised training for principal frontline personnel

Meanwhile, Sinotrans has established a vocational health and safety training system covering different levels and positions. In combination with safety production lectures, safety production management platforms, micro-video courses and offline centralised training, the Company continues to enhance employees' safety awareness and practical skills, and won the third prize in the national competition on emergency law and regulatory knowledge, further strengthening the employees' safety compliance awareness.

Case **Enhancing Safety Risk Prevention and Control Capabilities in Logistics Warehousing through the "Endpoint-Edge-Cloud" Synergistic Technology**

Building on the project titled "Key Technology Research and Application of Safety Risk Prevention and Control in Logistics Warehousing Based on Endpoint-Edge-Cloud Interaction Evolution", Sinotrans deeply integrates technologies such as the Internet of Things, big data, cloud computing and artificial intelligence. To address key risk scenarios in logistics warehousing safety management, it undertakes a technological development campaign to develop a key endpoint-edge-cloud synergistic technology system for safety risk prevention and control, and build a multi-layered intelligent safety supervision system.

In specific applications, the project focuses on key areas such as fire risks and human-vehicle-cargo interaction risks. By constructing a closed-loop management mechanism covering risk monitoring, early warning alerts, linkage response, tracking implementation and rapid disposal, the project improves the timeliness of safety risk identification and the synergy of the disposal. Meanwhile, the project innovatively introduces a safety management model of "Technology + Supervision + Service", achieving deep integration between technical measures and management requirements. This integration promotes the shift of safety management from post-incident handling to pre-incident prevention and process-based control, and gradually establishes Internet of Things (IoT) construction standards for logistics warehousing safety, thereby providing a replicable technical model for industry-wide safety management.

To date, the project achievements have been applied in 49 cities across 24 provinces, serving 114 logistics warehousing units under 10 second-tier subsidiaries of Sinotrans, covering 762 buildings and more than 4.92 million square meters of operational area, effectively enhancing fire prevention and comprehensive safety risk control capabilities in logistics warehousing scenarios. Meanwhile, due to its achievements in enhancing logistics warehousing safety management and promoting technology-empowered production safety, the project won the first prize of the 2025 Science and Technology Award of China Federation of Logistics & Purchasing (CFLP).

4. Indicators and Targets

In 2025, Sinotrans set the target of "Zero Accidents, Zero Pollution", and has made remarkable efforts to promote safety and productivity to achieve this goal.

Our targets	Performance in 2025
No graded production safety accidents throughout the year	The Group did not have any liability fatal accidents[38] and accomplished the target for the opening year of the three-year campaign to tackle the root causes of work safety.
100% coverage of work injury insurance	The Group maintained 100% coverage for the third consecutive year with an annual spending of RMB30.6734 million.
Occupational Health Management System Certification	Our subsidiaries have obtained the qualification certificates of Warehouse Safety Standardization Grade II, Transportation Safety Standardization Grade II, OHSAS18001 Occupational Health and Safety Management System, ISO45001 Occupational Health and Safety Management System.
Enhancing security level for our overseas staff	We strengthened the supervision of our overseas units and carried out a total of 68 on-site and online inspections.

[38] Liability fatal accidents refer to fatal accidents directly caused by the Company's negligent safety management, irregular operation or failure to fulfill the responsibility of the safety production, for which the Company must bear the management or legal responsibility.

VIII. Fulfilling Social Responsibilities: Building a Better Future Together

The Company actively responded to the rural revitalization strategy. Through precise assistance and public welfare projects, it promoted the development of the local economy and the improvement of people's livelihoods, and fulfilled its corporate social responsibilities.

Topics Covered in This Chapter: Rural Revitalization, Social Contribution

United Nations Sustainable Development Goals:





(I) RURAL REVITALIZATION ACTIONS

Sinotrans actively implements the national strategy of rural revitalization, and deepens the rural revitalization through industrial assistance, consumption-based assistance and various other forms, earnestly fulfilling its corporate social responsibilities.

In 2025, Sinotrans focused on key directions such as industrial revitalization, cultural revitalization and financial assistance, concentrating on designated assisted areas such as Weining, Guizhou and Qichun, Hubei, to support the assisted counties in comprehensively advancing rural revitalization, with a total targeted investment of RMB9 million.

1. The Industrial Revitalization Project in Weining, Guizhou

Supported Mazha Town, Niupeng Town, Xueshan Town and Guanfenghai Town in Weining County for the implementation of the "Family Ranch" industrial revitalization project. The project adopts the implementation model of "farmers led construction with post-completion subsidies", guiding farmers to participate in the project design and construction throughout the whole process, effectively enhancing farmers' self-management capacity, organisational capacity and sustainable development capacity, and promoting the standardised and large-scale development of the local livestock industry.

A total investment of RMB**6.5** million throughout the year

2. The Cultural Revitalization Project in Weining, Guizhou

Implemented the "Joy of Reading Growth Program" cultural revitalization project, which has built book corners for 230 classes in the locality, while simultaneously carrying out training for teachers' reading and teaching ability to cultivate students' independent reading habits. Such investment helped improve the rural education environment and promote the root-taking of reading culture in primary schools.

A total investment of RMB**0.6** million throughout the year

3. The Industrial Revitalization Project in Qichun, Hubei

Supported the upgrading of characteristic industries in Qichun County:

- Xiaozhuchong Village in Datong Town received an investment of RMB1 million to carry out the tea garden infrastructure upgrade project, branding its "Qichun Tea" as a county-level characteristic industry with regional influence;
- Xuetanggang Village in Guanyao Town received an investment of RMB600,000 to construct the industrial link bridge project, effectively solving the challenges of inconvenient travel for local farmers and difficult transportation of agricultural products, reducing production and operation costs and enhancing industrial development efficiency.

A total investment of RMB**1.6** million throughout the year

4. The Financial Assistance Project in Qichun, Hubei

Alinged with the implementation of the subsidy program for guarantee fees of agricultural-related small and micro enterprises, reducing the financing costs of agricultural-related business entities, supporting the development of local new agricultural business entities, and promoting agricultural enterprises to better play their role in integrating and driving farmers, thereby achieving positive social benefits.

In addition to project assistance, the Company continued to promote the procurement of agricultural products across the entire system through the "27° Agriculture" brand, deepening the consumption assistance mechanism. In 2025, the Company achieved cumulative sales of agricultural products of RMB7.1336 million through consumption-based assistance, promoting the sales of agricultural products in targeted regions and increasing farmers' income through a market-oriented approach, further consolidating the results of assistance.

A total investment of RMB**0.3** million throughout the year

(II) SHOULDERING SOCIAL RESPONSIBILITIES

Sinotrans upheld the social responsibilities and obligations of a central state-owned enterprise by actively implementing the relevant requirements of the *Charity Law of the People's Republic of China* and the *Law of the People's Republic of China on Donations for Public Welfare Undertakings*, strictly following the *Company's Management Measures for External Donations*, actively participating in public welfare activities, regularly watching the progress of the projects, and strengthening top-level design and management guidance, so as to ensure that public welfare projects and volunteer programs are successfully implemented, thus promoting the standardised and systematic development of its public welfare undertakings.

In 2025, Sinotrans continued to fulfill its responsibilities as a state-owned enterprise and actively promoted the development of public welfare and volunteer causes. In the combination of major public welfare projects and voluntary services, the Company continued to deepen the exploration in multiple fields such as emergency disaster relief, green environmental protection, education assistance and social care, and carried out public welfare and volunteer activities in many places at home and abroad. The beneficiary groups include disaster-affected population, adolescents, job seekers, senior citizens and truck drivers, etc., gradually building a public welfare and volunteer ecosystem characterised by "focused priorities and broad coverage". These efforts effectively enhanced Sinotrans' brand image and social influence at home and abroad, with an annual public welfare investment of RMB1.9474 million.

Case **"Disaster Relief Express" Emergency Logistics Public Welfare Project**

Relying on the "Disaster Relief Express" public welfare emergency logistics platform, Sinotrans efficiently responded in 2025 to major disasters and accidents such as the Tingri earthquake in Tibet, floods in South China, rainstorms in North China and fires in Hong Kong. The Company quickly dispatched transportation capacity and linked Sinotrans' multiple local companies across regions, transporting a cumulative total of more than 10,000 items such as military coats, quilts, instant food, products for women and children, medicines, foldable beds and disaster relief boxes, with a total mileage of over 10,000 kilometers. The "Disaster Relief Express" project gave full play to Sinotrans' national logistics network and emergency response capability, earnestly ensuring that disaster relief materials were delivered to disaster areas quickly and accurately, demonstrating the corporate responsibility of the "National Team as State-owned Logistics Enterprise".



Case **Second "China Merchants Group C Me Fly International Logistics Study Tour" Public Welfare Project**

A subsidiary of Sinotrans successfully held the second "China Merchants Group C Me Fly International Logistics Study Tour" in the UAE and Indonesia. A total of 117 young people from 20 countries entered the Sinotrans Smart Logistics Center to experience how 5G, AI and automation technology are reshaping global supply chains. They rode the Jakarta-Bandung High-speed Railway to feel the power of connectivity, and visited the China Pavilion in Dubai to experience wearing Hanfu, practicing calligraphy and tasting tea, all of which allow them to immersively appreciate the Oriental culture. Through transnational collaboration and cultural exchange, the youths formed deep friendships, broadened their international horizons, and ignited their interest in logistics technology and future career dreams.



Case **Second "Borderland Youth's Dreams Coming True in Beijing" Public Welfare Study Project**

A subsidiary of Sinotrans held the second "Borderland Youth's Dreams Coming True in Beijing" public welfare study activity in Beijing. A total of 27 students and 6 western volunteer teachers from the Central Primary School of Tugumaiti Township and Xieyite Primary School of Harajun Township in Atush, Kizilsu Kirghiz Autonomous Prefecture, Xinjiang, completed the Beijing study and exchange plan. The project, through visits to national landmarks and educational and cultural venues such as Tian'anmen and the Great Wall, helped teenagers in border areas deeply root their feelings for home and country, broaden their horizons, firm up their ideals and beliefs, and forge a strong sense of community for the Chinese nation.



Case **"Guizhou Kaiyang Employment Assistance" Public Welfare Project**

To deeply implement the strategy of rural talent revitalization, A subsidiary of Sinotrans implemented the logistics empowerment public welfare project targeting the practical difficulties of Tianchong Village, Hefeng Township, Kaiyang County, Guizhou Province, such as a single industrial structure, weak collective economy and limited employment channels. The project targets key groups such as households lifted out of poverty and households receiving minimum living allowances. Through a three-stage path of "Cognition – Skills – Employment", it systematically carried out modern logistics knowledge popularisation and practical skill training in warehousing and transportation, and provided practical training positions based on the Company's business scenarios, effectively helping the organic integration of villagers' skill improvement, stable employment and hometown development, and promoting rural revitalization.



Sinotrans carried out a variety of volunteer service activities that take into account the actual situation in its localities. Volunteer services took various forms, including donating materials to disaster-stricken and poverty-stricken areas, caring for the needy, participating in environmental protection and providing communities with welfare services. These activities not only demonstrated Sinotrans' corporate responsibility in all aspects, but also further enhanced the social recognition and influence of the corporate brand.

2025

A total of **342** employees participated in volunteer services, with a total of **4,081** hours of service

Case **"Children at Heart, Sinotrans in Action, Together Across Mountains and Seas" Volunteer Event**

A subsidiary of Sinotrans held the "Children at Heart, Sinotrans in Action, Together Across Mountains and Seas" Children's Day Fun Sports Meeting at Dali Jia Primary School in Jinpu New Area, Dalian, actively supporting educational equity and serving rural revitalization. The activity adopted a combination of individual and team competitions, integrating sports competition with team collaboration to cultivate children's collective awareness and fighting spirit through education and fun. At the end of the activity, the concept of marine environmental protection was integrated, and marine life dolls were presented, conveying warmth while sowing the concept of green development.



Case **"Green Care for Children" - Volunteer Event for Caring for Children in Need**

A subsidiary of Sinotrans innovatively carried out the "Green Care for Children" volunteer event for caring for children in need, establishing a closed-loop mechanism of "employees practicing environmental protection online – behavioral value transformation – precise empowerment of public welfare", organically unifying environmental protection actions with humanistic care and achieving two-way empowerment of environmental protection and public welfare. In this activity, employees accumulated green energy by participating in online low-carbon actions, which was transformed into public welfare resources, specifically donating intelligent rehabilitation equipment to special children in the Qingdao Children's Welfare Institute to precisely match rehabilitation needs, demonstrating the responsibility and innovative practice of central enterprises in sustainable development and caring for vulnerable groups.



Case **"Volunteers in Action to Protect Dianchi" Volunteer Event**

From March to September 2025, a subsidiary of Sinotrans gave full play to the leading role of "Party Building +", coordinating local governments and communities to carry out "Volunteers in Action to Protect Dianchi" environmental volunteer services. The activity focused on the ecological protection of Dianchi Lake, effectively enhancing the environmental awareness of corporate employees and surrounding residents by widely promoting the concept of "Protecting Dianchi" and deepening the co-construction, co-governance and shared relationship between the enterprise and the locality. The project not only shaped an influential "Protect Dianchi" volunteer service project but also effectively condensed social forces to participate in Dianchi governance, making positive contributions to guarding the ecological environment of Yunnan.



Case **"Youth Warming the Sunset, Caring to Build a Community" Volunteer Event**

A subsidiary of Sinotrans focuses on the needs of senior citizens in local communities for environmental engagement, psychological companionship and health care. Four themed activities were carried out throughout the year, covering the hand-in-hand making of wormwood hammers to convey health concepts, Mother's Day floral art classes to express warm respect, "Shared Affection in Shenzhen: Mid-Autumn Reunion" to spend the festival together, and Double Ninth Festival health companionship to care for body and mind. Through services with warmth and depth, the Company practiced its social responsibility as a central enterprise, promoted the traditional virtue of respecting senior citizens, built a bridge for intergenerational communication and improved the quality of life for senior citizens.



APPENDICES

SCHEDULE I ESG DATA

Environmental Performance					
Indicators		**Unit**	**2023**	**2024**	**2025**
Responding to Climate Change					
Total GHG emissions (Scope 1 + Scope 2)		tons of carbon dioxide equivalent	309,155.25	307,973.62	267,402.03
By scope	Scope 1 GHG emissions	tons of carbon dioxide equivalent	168,156.59	163,316.27	137,630.09
	Scope 2 GHG emissions	tons of carbon dioxide equivalent	140,998.66	144,657.35	129,771.95
By source type	GHG emissions from combustion	tons of carbon dioxide equivalent	168,149.41	163,267.90	137,554.85
	GHG emissions from processing	tons of carbon dioxide equivalent	0	0	0
	GHG emissions from electricity	tons of carbon dioxide equivalent	132,320.74	132,061.01	115,485.95
	GHG emissions from heating	tons of carbon dioxide equivalent	8,677.92	8,652.74	8,696.20
	GHG emissions from cooling	tons of carbon dioxide equivalent	0	0	0
	GHG emissions from steam	tons of carbon dioxide equivalent	0	0	0
	GHG emissions from other sources	tons of carbon dioxide equivalent	6.83	3,990.89	11,389.23
Total GHG emissions per unit of energy consumption (Scope 1 and Scope 2)		tons of carbon dioxide equivalent/ ton of standard coal	2.82	2.77	2.71
Total GHG emissions per million revenue (Scope 1 and Scope 2)		tons of carbon dioxide equivalent	3.04	2.92	2.76
By scope	Direct (Scope 1) GHG emissions per million revenue	tons of carbon dioxide equivalent	1.53	1.47	1.42
	Indirect (Scope 2) GHG emissions per million revenue	tons of carbon dioxide equivalent	1.29	1.30	1.34

Environmental Performance					
Indicators		Unit	2023	2024	2025
GHG emissions directly reduced by emission reduction measures		tons of carbon dioxide equivalent	5,313.67	6,091.04	6,119.74
By scope	Scope 1 GHG emission reduction	tons of carbon dioxide equivalent	1,468.51	2,383.62	2,280.13
	Scope 2 GHG emission reduction	tons of carbon dioxide equivalent	3,845.16	3,707.42	3,839.61
By emission reduction measures	GHG emission reduction through equipment upgrade	tons of carbon dioxide equivalent	1,449.17	2,362.02	2,270.61
	GHG emission reduction through fuel replacement	tons of carbon dioxide equivalent	3,845.16	3,707.42	3,839.61
	GHG emission reduction through other measures	tons of carbon dioxide equivalent	19.34	21.60	9.52
Carbon credits		tons of carbon dioxide equivalent	–	10,000.00	10,914.45[39]
GHG offset (Scope 1 and Scope 2)		tons of carbon dioxide equivalent	–	10,000.00	10,914.45
By scope	Direct GHG offset (Scope 1)	tons of carbon dioxide equivalent	–	10,000.00	10,059.00
	Indirect GHG offset (Scope 2)	tons of carbon dioxide equivalent	–		855.45[40]
Number of parks that have passed carbon neutrality verification and certification		park	–	–	14[41]
Amount of business activities vulnerable to climate-related physical risks		RMB ten thousand	696.00	1,793.00	169.47
Energy Utilisation					
Energy consumption intensity		tons of standard coal/million revenue	1.08	1.05	1.02
Total energy consumption		tons of standard coal	109,625.00	111,225.35	98,845.72
By scope	Total direct energy consumption	tons of standard coal	70,865.58	83,217.78	64,969.22
	Total indirect energy consumption	tons of standard coal	38,759.42	28,007.57	33,876.50

[39] In 2025, the Company purchased 10,059 tons of VCS and 1,500 GECs respectively to offset Scope 1 and Scope 2 greenhouse gas emissions.

[40] The indirect greenhouse gas emission reduction corresponding to 1,500 GECs is 1,500MWh × 0.5703MWh/tCO_2.

[41] Including four products certified by ISO 14068-1:2023 for carbon neutrality and ten products certified by PAS 2060:2014 for carbon neutrality achievement.

Environmental Performance					
Indicators		Unit	2023	2024	2025
By type	Direct energy — coal consumption	MWh	0	0	0
	Direct energy — natural gas consumption	MWh[42]	43,885.89	38,621.61	33,145.39
	Total fuel consumption	MWh	532,725.81	638,496.20	495,489.45
	Direct energy — petrol usage	MWh[43]	32,223.21	38,664.86	24,278.50
	Direct energy — diesel usage	MWh[44]	500,502.60	599,831.35	421,654.63
	Direct energy — other fossil energy consumption, fuel oil	MWh[45]	0	0	49,556.31
	Indirect energy — purchased electricity (non-renewable) consumption	MWh	219,750.00	224,744.00	222,852.05
	Indirect energy — purchased electricity (renewable) consumption	MWh	–	–	1,515.97
	Indirect energy — heating consumption	MWh	–	–	21,960.10
	Indirect energy — cooling consumption	MWh	–	–	0
	Indirect energy — nuclear energy consumption	MWh	–	–	0
	Clean energy usage	MWh	1,147.13	6,669.75	9,065.02

[42] Converted based on the volume of natural gas consumption and the calorific value of natural gas of 35.59 MJ/m^3 as set out in the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*

[43] Converted based on the mass of petrol consumption and the calorific value of petrol of 43.124 MJ/kg as set out in the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*

[44] Converted based on the mass of diesel consumption and the calorific value of diesel of 42.705 MJ/kg as set out in the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*

[45] Converted based on the mass of fuel oil consumption and the calorific value of fuel oil of 41.868 MJ/kg as set out in the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*

Environmental Performance					
Indicators		Unit	2023	2024	2025
Clean energy usage	Wind energy usage	MWh	0	0	0
	Proportion of wind energy usage	%	0	0	0
	Solar energy usage	MWh	1,147.13	6,669.75	9,065.02
	Proportion of solar energy usage	%	0.13	0.74	1.13
	Water energy usage	MWh	0	0	0
	Proportion of water energy usage	%	0	0	0
	Geothermal energy usage	MWh	0	0	0
	Proportion of geothermal energy usage	%	0	0	0
	Biomass resource usage	MWh	0	0	0
	Proportion of biomass resource usage	%	0	0	0
	Marine energy usage	MWh	0	0	0
	Proportion of marine energy usage	%	0	0	0
	Other clean energy usage	MWh	0	0	0
	Proportion of other clean energy usage	%	0	0	0
Green electricity certificates traded		ten thousand pieces	–	–	89
Total green electricity trading		ten thousand kWh	–	–	151.60

Environmental Performance					
Indicators		Unit	2023	2024	2025
Pollutant Emissions					
Total exhaust emissions		ton	151.31	142.38	119.79
By type	Nitrogen oxides (NO_x) emissions	ton	94.83	91.75	77.86
	Sulfur oxides (SO_x) emissions	ton	56.48	43.53	41.93
	Particulate matter (PM) emissions	ton	–	–	0.01
	Volatile Organic Compounds (VOCs) emissions	ton	0	0	0
	Average VOCs emission concentration	mg/m^3	–	–	0
	Other air pollutant emissions	ton	0	7.10	0
Total wastewater discharge		ton	1,726,790.36	1,715,896.34	1,788,493.98
By type	Total domestic wastewater	ton	–	–	0
	Total industrial wastewater	ton	1,721,463.32	1,531,718.00	1,674,886.01
Chemical oxygen demand (COD) emissions		ton	86.32	85.80	89.43
Ammonia nitrogen (NH3-N) emissions		ton	13.81	13.73	14.31
Arsenic and its compounds emissions		ton	–	–	0
Cadmium and its compounds emissions		ton	–	–	0
Chromium and its compounds emissions		ton	–	–	0
Phenolic compounds emissions		ton	–	–	0
Chloride emissions		ton	–	–	0
Sulphide emissions		ton	–	–	0
Other soil pollutant emissions		ton	–	–	0

Environmental Performance				
Indicators	**Unit**	**2023**	**2024**	**2025**
Waste Management				
Total hazardous waste produced	ton	111.73	167.70	184.37
Hazardous waste intensity	ton/million revenue	0.0011	0.0016	0.0019
Hazardous waste disposal rate	%	–	–	100
Total non-hazardous waste produced	ton	3,833.86	5,059.39	4,204.71
Amount of waste recycled	ton	–	–	671.11
Comprehensive utilization rate of general waste	%	–	–	15.89
Non-hazardous waste intensity	ton/million revenue	0.0377	0.0479	0.0434
Water Resource Utilisation				
Total water consumption	ton	2,177,069.91	2,113,515.73	65,307,933.17[46]
Freshwater consumption	ton	2,148,097.87	2,081,694.28	2,174,329.03
Water recycling and reuse	ton	28,972.05	31,821.45	63,133,604.13[47]
Water recycling and reuse rate	%	1.33	1.51	96.67
Water resource use intensity	ton/million revenue	21.39	20.01	22.46[48]
Circular Economy				
Amount of waste recycled	ton	652.53	777.18	671.11
Renewable energy (direct) consumption	MWh	–	–	10,581.00
Environmental Compliance Management				
Number of environmental violation penalties	case	0	1	1
Penalty amount for environmental violations	RMB	0	2,000.00	4,000.00
Environmental protection investment	RMB ten thousand	5,628	10,128.33	9,371.90
Proportion of environmental protection investment to revenue	%	0.06	0.10	0.10

[46] Total water consumption includes freshwater consumption and recycled water consumption. In 2025, the statistical scope of recycled water consumption changed, leading to a significant increase in the statistical value of total water consumption.

[47] In 2025, the statistical scope of recycled water consumption changed, and circulating water, serial water, and reclaimed water are calculated once for each cycle/reuse/reclamation.

[48] To ensure data comparability, the water resource use intensity in 2025 was calculated based on freshwater consumption.

Social Performance				
Indicators	**Unit**	**2023**	**2024**	**2025**
Innovation Driving				
Number of R&D staff	person	710	671	640
Proportion of R&D staff	%	2.16	2.11	2.13
Investment in R&D	RMB hundred million	3.88	2.90	3.62
Proportion of R&D investment in main business revenue	%	0.38	0.27	0.37
Number of invention patents applied to the main business	piece	–	129	130
Number of invention patents applied during the Reporting Period	piece	–	–	6
Number of invention patents granted during the Reporting Period	piece	29	27	7
Number of valid patents during the Reporting Period	piece	192	230	236
Quality and Safety of Products and Services				
Customer satisfaction	%	96.11	97.61	97.52
Number of customers participating in the survey	number	1,746	1,889	2,014
Proportion of customers participating in the survey	%	3.62	4.05	4.93
The amount involved in major safety and quality liability accidents and damages related to products and services that occurred during the Reporting Period	RMB ten thousand	0	0	0
Number of customer complaints surveyed	number	–	–	96
Data Security and Customer Privacy Protection				
Specific amounts involved in data security incidents	RMB ten thousand	0	0	0
Specific amounts involved in the customer privacy leakage incident	RMB ten thousand	0	0	0

Social Performance				
Indicators	**Unit**	**2023**	**2024**	**2025**
Supply Chain Security				
Number of suppliers[49]	number	31,656	37,067	45,682
By region — Number of suppliers in Mainland China	number	31,199	35,770	42,762
By region — Number of suppliers from overseas, Hong Kong, Macao and Taiwan	number	457	1,297	2,920
Number of suppliers where the supplier screening policy is implemented	number	–	–	45,682
Proportion of suppliers where the supplier screening policy is implemented	%	–	–	100
Employment and Safeguard of Rights and Interests				
Number of Employees	person	32,935	31,766	31,953
Number of full-time employees	person	31,022	30,044	30,066
Number of part-time employees	person	0	0	0
Number of dispatched labour employees	person	2,086	1,842	1,823
Number of new recruits in 2025	person	2,490	1,605	1,539
By gender — Number of male employees	person	18,877	18,268	18,213
By gender — Number of female employees	person	12,145	11,776	11,853
Proportion of female employees	%	39.15	39.20	39.42
By age — Number of employees aged below 30	person	7,058	6,087	5,832
By age — Number of employees aged 30 to 50	person	20,637	20,423	20,526
By age — Number of employees aged 50 or above	person	3,327	3,534	3,708
By region — Number of employees in Mainland China, Hong Kong, Macao and Taiwan	person	28,793	27,804	27,814
By region — Number of employees in overseas countries and regions	person	2,229	2,240	2,252

[49] Represents the number of suppliers registered in the supplier management system that are not deactivated.

Social Performance				
Indicators	Unit	2023	2024	2025
Number of local employees at overseas institutions	person	2,115	2,122	2,116
Proportion of overseas local employees	%	94.89	94.73	93.96
Number of ethnic minority employees	person	678	688	854
Proportion of ethnic minority employees	%	2.18	2.29	2.84
Number of demobilized military personnel	person	428	388	359
Proportion of demobilized military personnel	%	1.38	1.29	1.19
Number of employees with disabilities	person	56	45	62
Proportion of employees with disabilities	%	0.18	0.15	0.21
Number of employee turnover/resignations	person	2,124	2,158	1,672
Employee turnover rate	%	6	7.07	5.58
Voluntary resignation rate	%	5.39	4.81	3.47
By gender — Male employee turnover rate	%	6	6.96	5.77
By gender — Female employee turnover rate	%	7	7.23	5.24
By age — Employee turnover rate aged below 30	%	12	13.33	10.39
By age — Employee turnover rate aged 30 to 50	%	9	5.41	4.49
By age — Employee turnover rate aged 50 or above	%	5	4.98	3.67
By region — Employee turnover rate in Mainland China, Hong Kong, Macao and Taiwan	%	5.67	6.62	4.89
By region — Employee turnover rate in overseas countries and regions	%	21.51	15.57	13.94

Social Performance				
Indicators	**Unit**	**2023**	**2024**	**2025**
Per capita revenue	RMB ten thousand	328.00	349.00	313.13
Number of work-related fatalities	person	1	2	3
Liability fatal accidents[50]	person	0	0	0
Number of work-related fatalities per 100 million revenue	person	0.0010	0.0019	0.0031
Rate of work-related fatalities (death rate)	%	0.003	0.007	0.010
Work injury rate	%	0.15	0.17	0.16
Lost days due to work injury	day	2,349.00	3,824.00	3,147.50
Lost workdays due to work-related injury per million revenue	day	0.02	0.04	0.03
Safety training hours	hour	8,430.00	8,820.00	9,218.30
Average safety training hours per employee	hour	–	0.28	0.29
Investment in workplace safety	RMB ten thousand	8,527.46	9,887.58	9,652.45
Proportion of workplace safety investment to revenue	%	0.08	0.09	0.10
Number of safety accidents	case	0	0	0
Number of major and above accidents	case	0	0	0
Number of persons with occupational diseases	person	0	0	0
Occurrence rate of occupational diseases	%	0	0	0
Number of work-related injuries	person	45	51	47
Injury rate per million working hours	%	0.69	0.81	0.75

[50] Liability fatal accidents refer to fatal accidents directly caused by the Company's negligent safety management, irregular operation or failure to fulfill the responsibility of the safety production, for which the Company must bear the management or legal responsibility.

Social Performance				
Indicators	Unit	2023	2024	2025
Talent Development and Training				
Total number of employees trained	person	31,022	29,969	30,829
Times of employee training	time	1,603,654	1,603,551	1,603,298
Total investment in employee training	RMB ten thousand	1,548.17	1,490.33	1,349.09
Investment in employee training per million revenue	RMB ten thousand	–	–	0.01
Per capita investment in training[51]	RMB ten thousand	–	–	0.04
Coverage rate of employee training[52]	%	94.19	94.34	96.48
By gender — Proportion of male employees trained	%	60.85	60.95	58.67
By gender — Proportion of female employees trained	%	39.15	39.05	41.33
By rank — Proportion of senior management (persons in charge at all levels) trained	%	2.67	2.61	2.63
By rank — Proportion of middle management (leaders of departments and project teams at all levels) trained	%	8.90	8.43	8.46
By rank — Proportion of general employees at various levels trained	%	88.43	88.96	88.91
Total hours of employee training	hour	1,574,384.00	1,865,216.00	1,934,133.30
Average training hours of employees	hour	51.00	51.24	62.74
By gender — Average training hours of male employees	hour	50.70	59.35	60.01
By gender — Average training hours of female employees	hour	50.82	66.74	66.61

51 The statistical caliber refers to per capita investment in training of all employees.

52 The statistical caliber refers to the training coverage rate of all employees.

Social Performance				
Indicators	**Unit**	**2023**	**2024**	**2025**
Average training hours of senior management (persons in charge at all levels)	hour	51.36	72.58	82.73
Average training hours of middle management (leaders of departments and project teams at all levels)	hour	48.55	63.34	65.33
Average training hours of general employees at various levels	hour	50.95	61.83	61.90
Employment and Safeguard of Rights and Interests				
Investment in employee work-related injury insurance	RMB ten thousand	2,530.00	2,998.00	3,067.34
Coverage rate of work-related injury insurance for employees	%	100	100	100
Coverage rate of employee safety production liability insurance	%	100	100	100
Investment in employee safety production liability insurance	RMB ten thousand	596.66	694.50	554.65
Rural Revitalization				
Investment in rural revitalization	RMB ten thousand	2,055.00	1,530.48	1,613.36
Number of beneficiaries of rural revitalization	person	50,000	16,000	20,000
Social Contribution				
Amount of charitable donations	RMB ten thousand	161.00	147.61	194.74
Volunteer service hours	hour	2,513.00	2,568.00	4,081.00
Number of volunteers	person	201	233	342

Governance Performance				
Indicators	**Unit**	**2023**	**2024**	**2025**
Corporate Governance				
Number of directors	person	11	11	12
Average tenure of Board members	year	–	–	3.91
Number of independent directors	person	4	4	4
Proportion of independent directors	%	36.36	36.36	33.33
Number of female directors	person	2	3	3
Proportion of female directors	%	18.18	27.27	25.00
Proportion of female senior managers	%	–	–	16.67
Number of Board meetings	time	9	9	16
Number of directors attending less than 75% of meetings	person	–	–	0
Number of Audit Committee meetings	time	5	7	6
Number of Remuneration Committee meetings	time	1	2	4
Number of Nomination Committee meetings	time	3	4	6
Proportion of independent directors in the Audit Committee	%	100	100	100
Proportion of independent directors in the Remuneration Committee	%	100	100	100
Proportion of independent directors in the Nomination Committee	%	80.00	80.00	80.00
Proportion of independent directors with tenure over 6 years	%	–	–	0
Proportion of independent directors with tenure over 9 years	%	–	–	0
Proportion of independent directors serving as independent directors in more than 3 listed companies	%	–	–	0
Proportion of independent directors serving as directors in more than 6 listed companies	%	–	–	0
Stock pledge ratio	%	–	–	17.65

Governance Performance				
Indicators	**Unit**	**2023**	**2024**	**2025**
Risk and Regulatory Compliance				
Number of material litigations	case	0	0	0
Number of material arbitrations	case	0	0	0
Anti-commercial Bribery and Anti-Corruption				
Number of commercial bribery and corruption lawsuits during the Reporting Period	case	0	0	0
Number of directors participating in anti-commercial bribery and anti-corruption trainings	person	1	8	9
Proportion of directors participating in anti-commercial bribery and anti-corruption trainings	%	9.09	72.72	75.00
Number of management personnel participating in anti-commercial bribery and anti-corruption trainings	person	3,590	3,513	3,510
Proportion of management personnel participating in anti-commercial bribery and anti-corruption trainings	%	100	100	100
Number of general employees participating in anti-commercial bribery and anti-corruption trainings	person	23,364	22,883	26,450
Proportion of general employees participating in anti-commercial bribery and anti-corruption trainings[53]	%	85.17	86.25	99.60
Total number of employees who received training on fighting commercial bribery and corruption	person	26,955	26,397	29,962
Percentage of all employees who received training on fighting commercial bribery and corruption[54]	%	81.84	83.10	93.77
Number of commercial bribery and corruption lawsuits during the Reporting Period	case	0	0	0
Anti-unfair Competition				
Number of cases resulting in litigation or material administrative penalties due to the Company's unfair competition behavior	case	0	0	0
Amounts involved in litigation or material administrative penalties due to the Company's unfair competition behavior	RMB ten thousand	0	0	0

[53] Percentage of general employees who received training on fighting commercial bribery and corruption to the total number of full-time general employees of Sinotrans.

[54] Percentage of all employees who received training on fighting commercial bribery and corruption to the total number of employees of Sinotrans.

SCHEDULE II INDEX OF THE GUIDELINES FOR SUSTAINABLE DEVELOPMENT REPORTING ISSUED BY THE SSE

Disclosure requirements	Corresponding section in this report	Location in the report
Response to climate change	Section 2 of Chapter V	P44-55
Pollutant discharge	Section 4 of Chapter V	P60-61
Waste disposal	Section 4 of Chapter V	P61-62
Ecosystems and biodiversity preservation	Section 4 of Chapter V	P63-64
Environmental compliance management	Section 1 of Chapter V	P42-43
Energy resource utilisation	Section 3 of Chapter V	P56-57
Water resource utilisation	Section 3 of Chapter V	P58
Circular economy	Section 3 of Chapter V	P59
Rural revitalization	Section 1 of Chapter VIII	P96
Social contribution	Section 2 of Chapter VIII	P97-100
Innovation driving	Section 1 of Chapter VI	P66-67
Science and technology ethics	*The Group's business is not involved in this topic.*	/
Supply chain security	Section 3 of Chapter VI	P75-78
Equal treatment of small and medium-sized enterprises	Section 5 of Chapter VI	P84
Quality and safety of products and services	Section 2 of Chapter VI	P68-74
Data security and privacy protection	Section 4 of Chapter VI	P79-84
Employees	Chapter VII	P86-94
Due diligence	Section 2 of Chapter III	P16-20
Communication with stakeholders	Section 2 of Chapter III	P16-17
Anti-commercial bribery and anti-corruption	Section 3 of Chapter IV	P37-40
Anti-unfair competition	Section 4 of Chapter IV	P40

SCHEDULE III INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE ISSUED BY THE SEHK

Disclosure requirements		Corresponding Section in This Report	Location in the Report
Part B: Mandatory disclosure requirements			
Governance Structure	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, prioritize 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.	Chapter III	P14-24
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process for identifying and the criteria for the selecting material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, as well as the source of conversion factors used for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes (if any) to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About the Report	P1
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report	P1

Disclosure requirements			Corresponding Section in This Report	Location in the Report
Part C: "Comply or explain"				
A. Environmental				
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Section 4 of Chapter V	P60-61
	A1.1	Types of emissions and respective emissions data.	Schedule I	P105-106
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Schedule I	P106
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Schedule I	P106
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Section 4 of Chapter V	P60-61
	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.	Section 4 of Chapter V	P61-62

Disclosure requirements			Corresponding Section in This Report	Location in the Report
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Section 3 of Chapter V	P56-59
	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).	Schedule I	P102-104
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Schedule I	P106
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Section 3 of Chapter V	P56-57
	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.	Section 3 of Chapter V	P58
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Given that the Group's operations do not involve a significant amount of excessively packaged products or services, there is no formal data on product packaging materials.	/
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Chapter V	P42-64
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Chapter V	P42-64

Disclosure requirements			Corresponding Section in This Report	Location in the Report
B • Social				
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Section 1 and 2 of Chapter VII	P86-89
	B1.1	Total workforce by gender, employment type (for example, full time or part-time), age group, and geographical region.	Schedule I	P108-109
	B1.2	Employee turnover rate by gender, age group and geographical region.	Schedule I	P109
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Section 3 of Chapter VII	P92
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Schedule I	P110
	B2.2	Lost days due to work injury.	Schedule I	P110
	B2.3	Description of the occupational health and safety measures adopted, as well as how they are implemented and monitored.	Section 3 of Chapter VII	P92-94

Disclosure requirements			Corresponding Section in This Report	Location in the Report
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Section 2 of Chapter VII	P89-91
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Schedule I	P111
	B3.2	The average training hours completed per employee by gender and employee category.	Schedule I	P111
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Section 1 of Chapter VII	P86-87
	B4.1	Description of measures to review employment practices to prevent child and forced labour.	Section 1 of Chapter VII	P86-87
	B4.2	Description of steps taken to eliminate such practices when discovered.	Section 1 of Chapter VII	P86-87
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Section 3 of Chapter VI	P75
	B5.1	Number of suppliers by geographical region.	Schedule I	P108
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where such practices are being implemented, and how they are implemented and monitored.	Section 3 of Chapter VI	P75-78
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Section 3 of Chapter VI	P75-77
	B5.4	Description of practices adopted to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Section 3 of Chapter VI	P75-77

Disclosure requirements			Corresponding Section in This Report	Location in the Report
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Section 4 of Chapter VI	P79-84
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business is not involved in this aspect.	/
	B6.2	Number of products and service related complaints received and how they are dealt with.	Section 2 of Chapter VI	P70-74
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Section 1 of Chapter VI	P66-67
	B6.4	Description of quality assurance process and recall procedures.	The Group's business is not involved in this aspect.	/
	B6.5	Description of consumer data protection and privacy protection policies, as well as how they are implemented and monitored.	Section 4 of Chapter VI	P79-84

Disclosure requirements			Corresponding Section in This Report	Location in the Report
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Section 3 of Chapter IV	P37
	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.	Schedule I	P114
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Section 3 of Chapter IV	P38-39
	B7.3	Description of anti-corruption training provided to directors and staff.	Section 3 of Chapter IV	P39-40
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.	Chapter VIII	P97
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Chapter VIII	P97-100
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Chapter VIII	P97-100

Disclosure requirements		Corresponding Section in This Report	Location in the Report
Part D: Climate-related disclosures			
(I) Governance	Information on 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	Section 2 of Chapter V	P44-45
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities		
(II) Strategy	Climate-related risks and opportunities	Section 2 of Chapter V	P46-47
	Business model and value chain	Section 2 of Chapter V	P46-49
	Strategy and decision-making	Section 2 of Chapter V	P11-12, P47, P51, P54
	Financial position, financial performance and cash flows	Section 2 of Chapter V	P51-52
	Climate resilience	Section 2 of Chapter V	P47-50
(III) Risk management	The processes and related policies the issuer uses to identify, assess, prioritise and monitor climate-related risks	Section 2 of Chapter V	P53
	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities		
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process		

Disclosure requirements		Corresponding Section in This Report	Location in the Report
(IV) Metrics and targets	Greenhouse gas emissions	Section 2 of Chapter V	P54
	Climate-related transition risks	Section 2 of Chapter V	P49-52
	Climate-related physical risks	Section 2 of Chapter V	P48-52
	Climate-related opportunities	Section 2 of Chapter V	P52
	Capital deployment	Section 2 of Chapter V	P51-52
	Internal carbon prices	Section 2 of Chapter V	P54
	Remuneration	Section 2 of Chapter V	P45
	Industry-based metrics	Section 2 of Chapter V	P48
	Climate-related targets	Section 2 of Chapter V	P55
	Applicability of cross-industry metrics and industry-based metrics	Section 2 of Chapter V	P48



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