2025

Environmental, Social, and Governance Report



Digital China Holdings Limited

Stock Code:00861.HK

Incorporated in Bermuda with Limited Liability

神州控股
DC Holdings

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Chairman's Statement
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Overview

2025 ESG Overview

Overview

Chairman's Statement



We stand at a pivotal turning point as intelligent technologies transition from rapid breakthroughs to deep and sustained integration. Globally, the intelligent revolution has moved beyond early conceptual hype and technological competition into a new stage characterized by accelerated implementation and tangible value realization. Historical experience demonstrates that the fundamental driver of every profound industrial transformation lies not merely in the introduction of new technologies, but in the systematic reengineering of existing production and management processes enabled by such technologies. Based on this understanding, Digital China Holdings believes that the core strategic imperative for enterprises seeking digital transformation and intelligent upgrading is to ensure that artificial intelligence evolves from an auxiliary tool into an intrinsic gene and central driving force of business processes. To this end, we have formally introduced the development philosophy of "AI for Process."

"AI for Process" is far more than a narrow technological concept; it represents a comprehensive methodology oriented toward ultimate value realization. Its core objective is to propel artificial intelligence from "management productivity," primarily applied to data analysis and information presentation, to "operational productivity" capable of autonomous judgment, execution, and optimization of complex operational tasks. Ultimately, we aim to achieve seamless integration and precise collaboration between artificial intelligence and human intelligence at every critical node of organizational processes, ushering in a new paradigm of human–machine synergy and unlocking exponential collaborative efficiency.

Over the past year, we have established a structured and synergistic AI full-stack technology service system, advancing AI from proof of concept to practical implementation. The newly launched Yanyun 3.0 model — AI First FDE — enables deep, end-to-end integration of AI technologies with clients' business processes. It seamlessly connects the entire lifecycle from pre-sales to contract signing, improving overall operational efficiency by 30–50 times and accelerating project delivery cycles by 5–7 times. Driven by the dual engines of "Customers + Ecosystem," our integrated supply chain business empowers partners to reduce costs and enhance efficiency. While achieving technological and commercial breakthroughs, DC Holdings has consistently embedded ESG principles into every stage of its "Data × AI" strategy, ensuring that intelligent development combines sustainability with social responsibility. This commitment has earned broad recognition from capital markets and authoritative institutions: a score of 42 in the S&P Global Corporate Sustainability Assessment, significantly exceeding the industry average of 34; an AA ESG rating from Sino-Securities Index, ranking first among Hong Kong-listed industry peers; and multiple honors, including the "ESG Excellence in Sustainable Development Enterprise" award from Hong Kong Commercial Daily and the "Social Responsibility (S) Pioneer Enterprise Award" from CLS.

From the Environmental (E) perspective, we empower sustainable industrial development through green intelligence, promoting low-carbon operations internally while enabling green transformation across the value chain through technology. To address the energy consumption of computing infrastructure, we actively advance the green and circular operation of computing resources. During the Double 11 shopping festival, AI-driven innovations in our green supply chain dynamically optimized transportation resources in real time, reducing average pickup time by 1.4 hours and package dwell time in handover zones by one hour, thereby substantially lowering carbon emissions.

From the Social (S) perspective, we regard talent as our most valuable asset, cultivating an AI-oriented talent development system while giving back to society through technology empowerment and ecosystem co-building. In talent development, the Company issued its "AI Guidelines," establishing core principles for AI application and workforce development, and conducted comprehensive internal AI training to build a talent pipeline aligned with digital-intelligent transformation. In 2025, marking the 25th anniversary of the Company's founding, a series of commemorative activities further strengthened employees' sense of belonging and cohesion. In advancing technology for public benefit, we developed"Houxi", the first fully integrated intelligent government service assistant in Zhangzhou, Fujian Province, effectively addressing challenges faced by grassroots communities in accessing public services.

From the Governance (G) perspective, we reinforce our development foundation through excellence in corporate governance while strengthening industry leadership through sustained research and development and standard-setting. In 2025, the Company continued to intensify its investment in the core "Data × AI" domain, building a robust technological moat. By the end of the year, we had led or participated in the development of 225 national, industry, and group standards. By elevating our best practices into industry benchmarks, we have not only enhanced the standardization of our own operations but also promoted transparency, efficiency, and sustainability across the entire value chain. We have embedded compliance and integrity into both our operational and partner management systems, ensuring steady and sustainable growth amid rapid development.

Looking ahead, DC Holdings will continue to integrate sustainability into every step of its innovation journey. We will work hand in hand with investors, customers, partners, and employees—not only as pioneers in the application of artificial intelligence, but also as co-builders of industrial value transformation and positive social change. By leveraging digital intelligence to enhance supply chain resilience, we aim to provide enterprises with certainty in growth. In contributing to the advancement of digital civilization, we aspire to leave a legacy of responsible, people-centered Chinese wisdom.

GUO Wei

Chairman of the Board

30 March, 2026

About This Report

Reporting Scope

Reporting period: This Report comprehensively covers the period from 1 January 2025 to 31 December 2025 (hereinafter referred to as the "Reporting Period" or the "Year"). In order to ensure the completeness of the narrative logic and the continuity of technological development, certain major strategic announcements and business developments, including, for example, the official launch of the AI First FDE model in the first quarter of 2026, are appropriately referenced retrospectively or on an extended basis in the Report.

Organizational Scope: Unless otherwise stated, this report covers the environmental, social and governance performance of Digital China Holdings Limited and its principal subsidiaries (hereinafter referred to as "Digital China Holdings," the "Company," the "Group" or "we") during the reporting period. The organizational scope of this report is strictly consistent with the consolidation scope of the Company's annual report financial statements. There were no material changes to the Group's consolidation scope during the reporting period.

Reporting Standards

This report has been prepared in accordance with the following standards and guidelines:

- Appendix C2 "Environmental, Social and Governance Reporting Code" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (2025 Revised Edition)
- IFRS S2 "Climate-related Disclosures"
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards 2021)
- United Nations 2030 Sustainable Development Goals (SDGs)

This Report also refers to the disclosure requirements relevant to the Group's industry under the following frameworks and guidelines:

- Sustainability Accounting Standards Board (SASB) — Software and IT Services Industry Standard and Logistics Industry Standard
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations Framework

For relevant report index information, please refer to:

- Appendix 1: HKEX ESG Reporting Guide Content Index
- Appendix 2: GRI Standards Content Index
- Appendix 3: IFRS S2 Recommended Disclosure Index

Data Description

All qualitative and quantitative data cited in this Report are derived from the Group's formally issued official documents, independently audited financial reports, and internal operational records that have been rigorously compiled and cross-checked by the Company's functional centers and business lines. The boundary for environmental performance data covers the Group's principal physical sites over which it has operational control, including six major technology parks and four core logistics parks across China, as well as major offices and service facilities in various prefecture-level cities.

Greenhouse gas (GHG) emissions are calculated in strict accordance with the GHG Protocol: Corporate Accounting and Reporting Standard. To enhance disclosure transparency, in 2025 the Group carried out a refined separate accounting of Scope 1 (direct emissions) and Scope 2 (indirect emissions). For Scope 2 emissions from purchased electricity, the calculation uniformly adopts the latest available annual national average grid emission factor for carbon dioxide published by China's Ministry of Ecology and Environment, namely 0.5777 tCO2/MWh. Unless otherwise specified, all financial and economic performance amounts presented in this Report are denominated in Renminbi (CNY).

Reporting Principles

This report adheres to the following reporting principles:

Materiality: The Group identifies material ESG topics that have a profound impact on the Company's long-term financial performance as well as on the external environment and society through multi-dimensional stakeholder research and a double materiality assessment model, giving priority to these topics in the arrangement of report structure and depth of content.

Quantitative: For key performance areas such as environmental emissions, resource consumption, employee diversity, and health and safety, the Group presents precise quantitative data to the greatest extent possible, with detailed disclosure of statistical methodologies, conversion assumptions and trends in the Key Performance Indicators section.

Balance: The report maintains an objective and neutral stance, comprehensively and fairly reflecting the Group's sustainable development achievements during the reporting period, while not avoiding the challenges encountered and areas for improvement during the transition, avoiding selective disclosure.

Consistency: The statistical methods for environmental and social key performance indicators maintain a high degree of consistency with previous years to ensure the comparability of cross-period data. Where changes in statistical scope have occurred due to business expansion or management refinement, this report provides clear explanatory notes below the corresponding data charts.

Report Availability

This Report is published in both Chinese and English and is available on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the ESG section of Digital China Holdings'official website (www.dcholdings.com) . The Group encourages stakeholders to review the full Report through the Company's website or the HKEX platform. Should you have any comments or suggestions regarding the contents of this Report, you are welcome to contact us through the Company's investor relations channels. In the event of any discrepancy or inconsistency between the Chinese and English versions, the Chinese version shall prevail.



About Digital China Holdings

Digital China Holdings Limited ("Digital China Holdings"or"DC Holdings", Stock Code: 00861.HK) was established in 2000 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in 2001. Since its inception, the Company has upheld its mission of advancing"Digital China"and embraced the core values of"Customer Success, Value Creation, Pursuit of Excellence, and Openness for Mutual Benefit."Guided by the principles of leading vision, leading technology, and leading practice, the Company is rooted in China with a global outlook and is committed to continuous innovation. Under the guidance of the"AI for Process"philosophy, DC Holdings steadfastly advances its upgraded"Data × AI"strategy. By integrating AI full-stack technologies with integrated supply chain scenarios, the Company continuously empowers enterprises to achieve intelligent process transformation and strives to build a new ecosystem for an intelligent economy characterized by technological independence and shared value.

The Company is dedicated to developing AI full-stack service capabilities centered on computing power, data, algorithms, applications, and customized solutions, accelerating the commercialization of cutting-edge technologies in high-value business scenarios. At the computing power layer, it provides end-to-end, lifecycle services including computing power planning and construction, unified scheduling, optimization and transformation, and computing asset management. At the data layer, it delivers full-lifecycle data governance capabilities covering data collection, cleansing, modeling, operation and maintenance, and security protection. Through end-to-end governance, it ensures high-quality, secure, and trustworthy data supply, enabling enterprises to transform raw data into compliant, high-value data assets. Guided by the "AI for Process" philosophy, the Company has developed the "XiaoJin" intelligent supply chain agent, which leverages large language models and multi-agent collaboration technologies to deeply embed AI into core operational processes such as order management, warehousing, transportation, and billing. This enables AI to proactively orchestrate key business scenarios, facilitating end-to-end intelligent collaboration and efficiency transformation. In addition, the Company has innovatively launched the "Yanyun AI First FDE" model, enabling rapid industry entry, accumulation and refinement of data assets, and deep integration of AI technologies with customer business processes to continuously create value.

In its core business scenarios, the Company integrates domestic and international resources to establish a technology-driven and highly collaborative intelligent supply chain service system. Its operations span the full spectrum of warehousing, transportation, distribution, reverse logistics, and intelligent operations, providing customers with end-to-end fulfillment solutions covering domestic warehousing and distribution integration, cross-border import and export, and overseas transportation and logistics services. These solutions aim to optimize inventory, reduce costs, enhance efficiency, strengthen supply chain resilience, and maximize value across the entire value chain. In addition, the Company has established a comprehensive e-commerce operations service matrix encompassing store operations, digital marketing, creative live streaming, order fulfillment, localized operations, and customer services, empowering brands throughout their entire growth lifecycle.

The Company has established branch offices nationwide and has developed six high-quality technology parks, five research and development centers, and four

major logistics parks across the core regions of the Yangtze River Delta, the Pearl River Delta, Central and Western China, and the Bohai Rim. It has also set up overseas branches in Malaysia, Thailand, Vietnam, and Singapore. Its service capabilities cover 100% of prefecture-level cities in China and extend to more than 50 countries and regions worldwide. The Company continues to invest in technological innovation, having led or participated in the development of 225 national and industry standards and obtained more than 3,400 intellectual property rights, including software copyrights and patents. It has also received numerous domestic and international accolades, including the First Prize of the National Technological Invention Award and recognition for World Leading Internet Scientific and Technological Achievements.

Board ESG Statement

The Company and all members of the Board of Directors strictly comply with, and are fully committed to implementing, all mandatory disclosure requirements and "comply or explain" provisions set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, namely the "Environmental, Social and Governance Reporting Code", and continue to promote the improvement of the Group's environmental, social, and governance management system. The Group fully recognizes that, against the backdrop of the restructuring of the global climate governance landscape, the continual expansion of the boundaries of technology ethics, and the growing awareness of data sovereignty, the comprehensive integration of ESG factors into corporate strategic planning and day-to-day operations is not only an inevitable requirement of corporate citizenship, but also an indispensable path for mitigating systemic risks and capturing the next generation of business opportunities.

The Board of Directors assumes full responsibility for the Company's ESG-related matters, including:

- Formulating and approving the Group's ESG strategy, policies and targets;
- Assessing and determining material ESG-related risks and opportunities, particularly climate-related risks;
- Ensuring the Group has established appropriate and effective ESG risk management and internal control systems;
- Reviewing the Group's ESG performance, progress towards targets, and the content of this ESG report.

The Board of Directors has authorized the Audit Committee to review the Group's ESG strategy and performance on a regular basis, so as to ensure alignment with the Group's overall development strategy, and has required it to make dedicated reports to the Board on a periodic basis. The Board has established an effective and systematic ESG risk management process covering the entire business life cycle for the assessment and management of material ESG-related matters. This process is capable of identifying changes in external regulatory trends and market demands in a timely manner and translating them into internal process optimization directives. The Board regularly reviews progress against established ESG-related targets to ensure that the Company's commitments to sustainable development are effectively implemented, and adjusts its strategy in a timely manner in response to the evolving market environment and regulatory requirements.

The Board has carefully reviewed all information contained in this Report, including environmental performance data, social responsibility practices, governance structure information, and key performance indicators, and has conducted sufficient discussion on the completeness of the Report and the coverage of material topics.

ESG Management System

Sustainability Strategy

Digital China Holdings' sustainable development strategy is not an isolated initiative detached from its core business; rather, it is an organic whole that is highly integrated with its core commercial strategy of "Data × AI." The Company is committed to realizing an integrated alignment of commercial, environmental, and social value, and fully incorporates environmental, social, and governance factors into its daily operations and management as an integral component of its corporate development strategy.

The Company's sustainability strategy is built upon the following three pillars:

- Environmental — Data-Intelligence Driven Green Revolution: We firmly believe that digitalization and intelligence are accelerators for decarbonization goals. On one hand, we start with ourselves, building low-PUE green computing infrastructure and implementing lean logistics and paperless operations; on the other hand, we leverage the multiplier effect of data and AI, exporting AI route optimization, intelligent packaging recommendation and smart warehouse capacity algorithms to empower the broader ecosystem's low-carbon transformation.

- Social — Technology for Public Good and Diverse Inclusion: We uphold the original aspiration of "Technology for the People." Internally, we are committed to breaking career ceilings and fostering an agile organization that embraces diversity; externally, we apply big data and AI to areas including smart government affairs, inclusive finance and education support, empowering SMEs to bridge the digital divide and promoting equitable social development.
- Governance — Transparent Governance Upholding the Bottom Line: In an era of uncertainty, governance is the moat against risk. We hold ourselves to the highest international standards, strictly maintaining anti-corruption and anti-monopoly bottom lines, building an impregnable data security and privacy protection system, introducing ethical review mechanisms in AI algorithm design and application, and earning the long-term trust of global investors and clients through transparency and mutual trust.

ESG Governance Structure and Reporting Mechanism

The Board of Directors, as the highest decision-making body for the Company's ESG management, is responsible for formulating the Company's ESG strategy and targets, assessing material ESG risks, and incorporating ESG considerations into the decision-making process to promote the Company's sustainable development. To ensure that the sustainability strategy can be implemented from top to bottom throughout every business unit, the Company has established a clear, three-tier ESG governance architecture:

ESG Steering Committee (Decision-making and Coordination Layer):

Comprising the Group's senior management and presidents of each core business line, it inherits the Board's strategic intent, analyses macro ESG trends, defines the Group's ESG strategy implementation path, approves major ESG investment plans, and supervises target achievement.

ESG Coordination Committee and Task Forces (Coordination and Implementation Layer):

Serving as the nexus linking senior decision-making with grassroots execution, the Coordination Committee breaks down departmental silos and coordinates HR, administration, legal, technology and supply chain departments. The newly established "ESG Task Force" in 2025 operates on a regular basis, responsible for establishing ESG data collection systems, organizing internal and external audit training, and leading annual ESG planning and report preparation.

Departmental ESG Business Representatives (Execution and Feedback Layer):

Embedded within each frontline business unit and operational entity, responsible for translating the Group's ESG management measures into specific operational standards, precisely collecting frontline data on energy consumption, emissions and employee health, and promptly feeding back execution challenges and innovative practices to the Coordination Committee.

Stakeholder Engagement

Digital China Holdings has established a comprehensive and multi-layered stakeholder communication framework, which serves as a core pillar of its sustainable development strategy. Guided by the principles of openness, transparency, mutual benefit, and shared success, the Company not only strictly fulfills its information disclosure obligations, but also proactively builds diversified communication platforms. Through a combination of regular and timely communication, the Company maintains smooth and effective information sharing with all stakeholders.

Stakeholders	Areas of Concern	Key Communication Channels
Government and Regulators	Compliance, corporate governance	Meetings, written reports, visits, policy consultations, information disclosure
Shareholders and Investors	Business development, investment returns, ESG performance	Information disclosure, investor meetings, results roadshows, social media engagement
NGOs and Media	Environmental protection, compliance consultation, philanthropy	Industry events, press conferences, social media platforms
Clients	Product and service quality, privacy protection	Client feedback, meetings, service hotline, real-time client support
Employees	Training, benefits, career planning, health and safety	Employee meetings, corporate social platforms, satisfaction surveys, HRBP communication
Communities and Public	Volunteer service, philanthropy, environmental protection	Company website, WeChat official account, media coverage, community activities
Suppliers	Fair cooperation, integrity, sustainable procurement	Meetings, regular assessments, site visits, training support

In 2025, the Group achieved notable results in capital market engagement and brand transparency enhancement. In recognition of its high-quality information disclosure and proactive investor communication, the Company received the "Best IR Company in Hong Kong Stocks" award from New Fortune magazine, the "Best Hong Kong and U.S. Stocks IR Team Award" from Cailian Press, and the "2025 Annual Outstanding Brand Communication Team Award for Capital Strength" from StockStar. In 2025, the Company conducted as many as 240 in-person meetings with investors and, through various online public roadshows, achieved more than 5,000 cumulative views. Media coverage reached nearly 30,000 reports, with total viewership exceeding 70 million.

ESG Materiality Assessment

The Company adheres to the "Double Materiality" assessment principle, systematically evaluating ESG topics from two dimensions: "impact on the Company's financial performance" (financial materiality) and "impact on the environment and society" (impact materiality). The Company employs scientific methods to identify and assess material ESG topics, ensuring that resources are directed to the most impactful areas of sustainable development. Based on stakeholder survey results and the Group's actual circumstances, and benchmarking against international frameworks such as SASB and TCFD and industry best practices, the Company analyses from the dimensions of "importance to the Company and business operations" and "importance to stakeholders," screening and forming a materiality topic matrix to guide ESG management enhancement and ESG report preparation.

The importance issue assessment results indicate that data security and privacy protection, intellectual property management, customer satisfaction, government regulation, and talent attraction and retention are positioned in high-priority areas of the matrix. These issues not only reflect the characteristics of technology enterprises but also highlight the core concerns in the current market environment.

The company has integrated key issues identified in the evaluation results into its ESG management framework, implementing corresponding management measures and improvement plans. For instance, regarding data security, it enhanced information system protection measures; for employee welfare and training, it refined talent development and performance evaluation mechanisms; in environmental management, it strengthened the application of energy-saving and emission-reduction technologies. These initiatives not only meet stakeholder expectations but also drive sustainable business growth.

The company has incorporated key issues identified in the evaluation results into its ESG management system, developed corresponding management measures and improvement plans, and provided focused responses in relevant sections of this report. For high-priority issues, the group has established dedicated cross-departmental task forces to track progress, ensuring adequate resource allocation and management attention to these core concerns in both strategic planning and daily operations.

Performance

2025 ESG Performance Overview

2025 ESG Performance Overview

2025 was a year of comprehensive breakthroughs and value re-assessment for Digital China Holdings in the ESG domain. The Group achieved outstanding results in independent ratings from third-party institutions and realized qualitative leaps in quantitative indicators across environmental and social dimensions. The following is an overview of the Group's key ESG performance indicators for 2025. For detailed data, please refer to the "Key Performance Indicators" section of this report.

Environmental Performance

AI + Supply Chain:The XiaoJin intelligent agent cluster has been developed and deeply embedded into core supply chain processes, including demand forecasting, intelligent scheduling, and outbound handover. During the Double 11 peak period, it increased peak order processing capacity by 280% and reduced parcel dwell time in handover zones by one hour. It also improved operational efficiency across multiple scenarios by 50%–70%, driving enhanced quality and efficiency in supply chain operations through intelligent decision-making.

Total Carbon Emissions:
78.0873 million tonnes
Carbon Emissions per Capita: 0.36 tonnes

Total Water Consumption:
118,809.31 tonnes
Water Consumption per Capita: 5.42 tonnes

Total direct greenhouse gas emissions (gasoline + diesel + natural gas):
269 tCO2e a year-on-year decrease of 51%

Total Waste Generated:
6,096.68 tonnes
Waste Generated per Capita: 0.28 tonnes

Environmental Compliance Rate:
100 %

Packaging Materials Recycled for Customers:
58 tonnes representing a year-on-year increase of 6,344%

Social Performance

AI + Government Services:The Company undertook the development of the "Houxi" AI Government Service Assistant in Zhangzhou. The project enabled the intelligent optimization of nearly 50,000 government service items, reducing form field completion requirements by 74% and achieving a public satisfaction rate of 98.5%. Through an integrated "Search–Consult–Process" model, it significantly enhanced government service efficiency and improved the public service experience.

Total Workforce:
21,936 employees
a year-on-year increase of 13.8%.

Employees with Bachelor's Degrees or Above:
15,619
accounting for 71.2%

Average Training Hours per Employee:
11.5 hours
Training Coverage: 100%

Mutual Aid Fund Membership:
7,993 participants
a year-on-year increase of 7.8%.

Total Claims Paid:
RMB 692,700
representing a year-on-year increase of 33%

Work-Related Fatalities:
0
(maintained for five consecutive years)

Work-Related Injuries: 16, representing a year-on-year decrease of 43%

Lost Workdays Due to Work Injuries: 97 days, representing a year-on-year decrease of 90%

Governance Performance

The Company conducted more than 240 exchanges with domestic and international investment institutions, including over 120 one-on-one meetings, 60 group meetings, and 60 strategy sessions. It engaged with more than 300 institutions in total, strengthening capital market communication through diversified channels. Online public roadshows recorded over 5,000 views. Corporate updates were also disseminated via the Company's official website, WeChat official account, and mini-programs, safeguarding investors' right to information.

Anti-corruption and integrity training employee coverage rate:
100 %

Customer Complaint Resolution Rate:
100 %

Signing rate of the Integrity and Honesty Agreement for non-original suppliers:
100 %

Number of proprietary intellectual property rights:
3,415 a year-on-year increase of 7.5%.

Number of national/industry/group standards participated in and published:
225 with 102 currently under development.

Proportion of technical personnel:
88.72 % (Total workforce: 19,461)

Inventory Accuracy Rate:
99.98 %

Environmental Performance: Advancing Energy Conservation and New Progress in the Circular Economy

Indicator	Unit	2025	Highlights
Total GHG Emissions	tCO2e	7,809	
Scope 1 (Direct Emissions)	tCO2e	267	+51% YoY ,Gasoline + diesel + natural gas
Scope 2 (Indirect Emissions)	tCO2e	7,541	Purchased Electricity
Per Capita GHG Emissions	tCO2e/person	0.36	
Purchased Electricity	MWh	13,054	
Gasoline Consumption	Liters	11,972	
Diesel Consumption	Liters	1	
Natural Gas Consumption	cubic meters	110,200	
Total Water Consumption	Tons	118,809	
Per Capita Water Consumption	Tons/person	5.42	
Hazardous Waste	Tons	9.57	
Non-hazardous Waste	Tons	6087	
Packaging Recycled for Clients	Tons	58	+6,344% YoY ,Circular economy breakthrough
Environmental Violation Fines	RMB	0	100% environmental compliance
Environmental Training	Sessions	31 sessions + 228 drills	

Social Performance: Supporting Employee Development and Energizing Communities

Indicator	Unit	2025	Highlights
Total Permanent Employees	Persons	21,936	Provided employment opportunities, +14% YoY
Work-related Fatalities	Persons	0	Zero for three consecutive years
Number of Work Injuries	Persons	16	-43% YoY
Lost Workdays Due to Injuries	Days	97	-90% YoY
Per Capita Training Hours	Hours	11.5	+1.4% YoY
Employees with a Bachelor's Degree or Above	%	71.2%	+3.3% YoY
Total Employee Learning Hours	10,000 hours	25.3	+11.5% YoY
Mutual Aid Fund Members	Persons	7,993	Established in 2008, +7.8% YoY
Mutual Aid Fund Claims Paid	RMB 10,000	69.27	+33% YoY
Hope School Students Benefited (Cumulative)	Persons	17,070	10 schools in 9 provinces, 22 years of continuous support

Governance Performance: Strengthening Corporate Governance and Fostering Collaboration

Indicator	Unit	2025	Highlights
Anti-corruption Training Coverage	%	100%	100% for 3 consecutive years
Integrity Agreement Signing Rate	%	100%	100% for 3 consecutive years
Anti-competition Litigation/Penalties	Cases	0	Newly disclosed in 2025
ISO 37001 Certification	Items	1	Passed annual surveillance audit
ISO 27001 Certification	Entities	4	Passed annual surveillance audit
Data Breach Incidents	Cases	0	0 for 3 consecutive years
Accumulated IP	Items	3,415	+7.5% YoY
Standards Led/Co-authored (Cumulative)	Items	225	+22% YoY
Total Suppliers	Entities	4,830	
Complaint Resolution Rate	%	100%	100% for 3 consecutive years.

Honours and Awards

2025 Honours and Awards

2025 Honours and Awards

In 2025, DC Holdings earned widespread recognition from both the industry and capital markets for its sustained commitment and outstanding achievements in ESG management, social responsibility, and sustainable development, establishing a distinguished portfolio of honors. At the Hong Kong Global ESG Investment Summit hosted by Hong Kong Commercial Daily, the Group received the highest accolade, the "ESG Excellence in Sustainable Development Enterprise" Award. At the 10th Zhitong Finance Capital Market Annual Conference, it was honored with the "Best ESG Company Award." In recognition of its long-term contributions to technology for public benefit, the Company also received the "Social Responsibility (S) Pioneer Enterprise Award" at the 2025 CLS "ZhiYuan Awards."In the field of investor relations, the Company was awarded the "Best IR Company in Hong Kong Stocks" by New Fortune magazine, the "Best IR Team for Hong Kong and U.S. Stocks" by CLS, and the "2025 Capital Power Annual Outstanding Brand Communication Team Award" by Securities Star.



Social Responsibility (S) Pioneer Enterprise Award
CLS (Cailian Press)

ESG Excellence in Sustainable Development Enterprise Award
Hong Kong Commercial Daily

Nomination for the Supply Chain ESG Excellence Award
Sedex(a leading global ethical supply chain audit platform)

Best ESG Company Award 2025
Zhitong Finance

Best IR Company in Hong Kong Stocks
New Fortune Magazine

2025 "Luanlu" Best IR Team for Hong Kong and U.S. Stocks Award
CLS (Cailian Press)

Outstanding Brand Communication Award
Stock Star

Best PR Team Award 2025
Zhitong Finance

Best Investor Relations Project Award
RoadshowChina Excellence IR

Ecosystem Innovation Application Award
IDC China

Science and Technology Award – Third Prize of the Science and Technology Progress Award
China Federation of Logistics and Purchasing (CFLP)

High-Quality Service Provider for Global Cross-Border E-commerce Marketing
China Council for the Promotion of International Trade (CCPIT)

Second Prize in the "Data Element × Transportation Solutions" Competition
Information Platform Branch of the China Federation of Logistics & Purchasing (CFLP)

Top 50 Leading Technology Service Brands for Digital and Intelligent Transformation and Intelligent Manufacturing of Central and State-owned Enterprises 2025
China Machinery Industry Information Research Institute

Top 100 Beijing Private Enterprises
Beijing Federation of Industry and Commerce

Top 100 Beijing Private Enterprises in Technological Innovation
Beijing Federation of Industry and Commerce

2025 ESG Ratings Overview

42 S&P Global (CSA)	**10.19** Sustainalytics
A Wind	**AA** Sino-Securities Index
AA- Lianhe Equator	**A** CCXI
A QuantData	**B+** Syntao Green Finance

Highlight 1: Shaping a New Engine for Digital-Intelligent Upgrading
— Data × AI-Driven Supply Chain Value Restructuring

Highlight 2: Deepening a New Model of Customer Co-Creation
— Lifecycle Services Empowering High-Quality Growth

Highlight 3: Cultivating a New Ecosystem for Industrial Synergy
— Open Collaboration Driving Sustainable Development

Highlight 4: Exploring New Pathways for Green Computing Power
— Low-Carbon Operations Leading Sustainable Transformation

Highlights

2025 ESG Highlights: Data-Intelligence Twin Engines Driving Innovation-Led Future

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The year 2025 marks the 25th anniversary of Digital China Holdings and represents a pivotal milestone in the comprehensive elevation of the Company's Data × AI strategy and the deepened implementation of its ESG initiatives. The Group has established four key highlight practices in digital and intelligent transformation, supply chain upgrading, industrial ecosystem co-development, and green computing. Guided by the philosophy of sustainable development, these initiatives drive high-quality growth for both the Company and the broader industrial value chain, fully demonstrating its commitment to social responsibility and long-term value creation.

Highlight 1: Shaping a New Engine for Digital-Intelligent Upgrading — Data × AI-Driven Supply Chain Value Restructuring

In response to industry challenges such as the limited adaptability of general-purpose large language models to real-world industries, the high costs of enterprise digital transformation, and the difficulty of aligning supply chain efficiency with green and low-carbon objectives, the Group has adopted a dual-core approach: building a robust AI full-stack technological foundation and advancing the deep implementation of supply chain scenarios. Moving beyond mere technological accumulation, we integrate artificial intelligence with industrial processes to drive efficiency improvements, cost optimization, and low-carbon development. Through continuous technological innovation, we inject digital-intelligent momentum into ESG-driven sustainable development.

AI Full-Stack Capabilities Centered on Yanyun: Strengthening the Technological Foundation for Digital-Intelligent Transformation

With the Yanyun technology platform series at its core, the Group has established an AI full-stack technology service system encompassing computing power, data, algorithms, and intelligent applications. This system delivers end-to-end empowerment—from data connectivity and governance to intelligent applications—creating direct ESG value through enhanced technological efficiency.

Yanyun Infinity: Data-Driven Intelligent Decision-Making Platform

Yanyun Infinity is an upgraded result of the First Prize in National Technology Invention, further transforming data into understandable, analyzable, and actionable business capabilities. At the data layer, it provides full lifecycle data governance capabilities, including data collection, cleaning, modeling, operation, and security, turning raw data into standardized data assets to ensure high-quality, secure, and trustworthy enterprise-level data supply. At the knowledge layer, the platform uses a no-code business modeling tool to create a digital twin of data and business. At the decision execution layer, combining large models and utilizing reinforcement learning, causal inference, and multi-objective optimization, it enables human-AI collaborative decision-making. This significantly reduces the time and cost of enterprise digital transformation, minimizes resource idleness and redundant investments, and achieves resource-intensive utilization, aligning with the core ESG environmental and social requirements.

AI First FDE Model: A New AI-First Paradigm for Business Delivery

The Group has innovatively launched the AI First FDE (AI-First Frontier Deployment Engineer) model, centered on "Agile Validation and Deep Co-Creation." This approach addresses key challenges in traditional IT development, including lengthy implementation cycles, difficulty in quantifying outcomes, and significant resource inefficiencies.Powered by large model inference and intent programming technologies, the model enables rapid decomposition of business logic and swift generation of system prototypes. It facilitates proof-of-concept (POC) validation within a short timeframe and supports scalable replication of business scenarios through cost-efficient experimentation. Ultimately, it delivers measurable business outcomes directly to customers, rather than merely providing standalone software products.The AI First FDE model achieves deep, end-to-end integration between AI technologies and customer business processes, streamlining the entire lifecycle from pre-sales to contract signing. It enhances overall operational efficiency by 30–50 times and accelerates project delivery cycles by five to seven times, significantly reducing labor, material, and time consumption associated with traditional IT development. By improving delivery efficiency and minimizing resource waste, it represents a benchmark practice of technology-enabled ESG value creation.

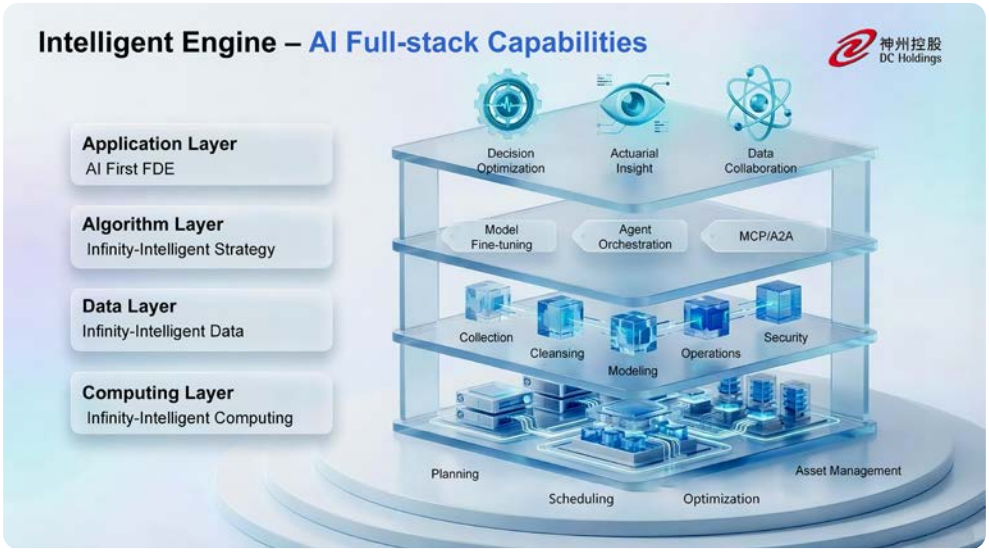
Four-Layer Architecture of the AI Full-Stack Technology

Computing Power Layer: Built upon the Infinity Intelligent Computing Platform, this layer provides end-to-end services including computing power planning and construction, unified scheduling, optimized operations, and asset management. It ensures the efficient allocation and stable supply of foundational computing resources, establishing a robust infrastructure for upper-layer data processing, model training, and intelligent application deployment.

Data Layer: Centered on the Infinity Intelligent Data Platform, this layer focuses on critical processes such as data collection, cleansing, governance, modeling, operations and maintenance, and security. It accumulates high-quality data assets and industry knowledge bases, transforming fragmented data into usable, trustworthy, and manageable intelligent resources, thereby providing solid data support for AI applications.

Algorithm Layer: Powered by the Infinity Intelligent Decision Platform, this layer integrates key capabilities such as model fine-tuning, Agent orchestration, and MCP/A2A protocols. It further digitalizes and structures business knowledge, enabling the deep integration of model capabilities with business scenarios and bridging the critical link between data and decision-making.

Application Layer: Based on the AI First FDE methodology, this layer delivers platform capabilities directly to customer business environments. Addressing core digital transformation needs—including decision optimization, actuarial insights, and data collaboration—it works alongside business experts to identify real challenges, validate feasible solutions, and develop AI-enabled products that are rapidly deployable, implementable, and capable of generating tangible commercial value.



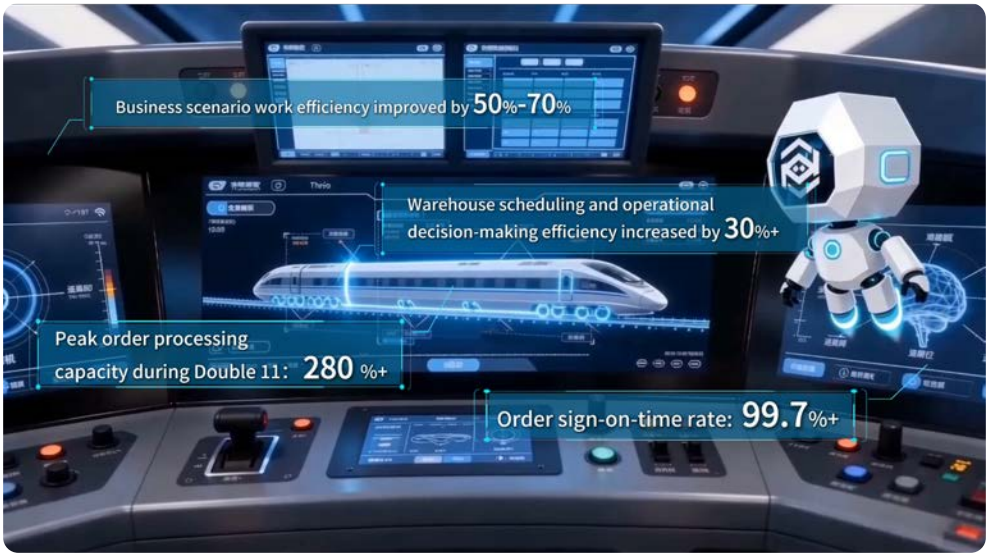
The Group's AI full-stack capabilities leverage technological innovation to enhance efficiency, reduce costs, and conserve resources, thereby minimizing energy and material consumption at the source. This approach translates technological value into tangible contributions to the Environmental and Social dimensions of ESG.

AI for Process in Supply Chain Scenarios: Empowering Green and Efficient Operations

Guided by the core philosophy of AI for Process, the Group embeds artificial intelligence deeply into real-world supply chain operations rather than using it merely as an auxiliary tool. Built upon its AI full-stack technological foundation, the Group has developed the intelligent supply chain agent cluster, XiaoJin, enabling end-to-end intelligent decision-making and efficient operations while advancing green and low-carbon development.

XiaoJin Intelligent Agent Cluster: An End-to-End Intelligent Engine for the Supply Chain

The XiaoJin intelligent agent cluster integrates more than 20 years of supply chain industry expertise, real-time data from the Yanyun Infinity platform, and decision-oriented AI algorithms. Through a "3+N" architecture, it achieves deep integration between AI and operational workflows, covering the entire supply chain—from demand forecasting and warehouse capacity planning to intelligent scheduling, outbound handover, and after-sales management. It provides customers with capabilities for autonomous analysis, precise decision-making, and automated execution.By embedding native AI-driven decision-making into daily operations, XiaoJin has enabled the comprehensive transformation of key execution systems, including OMS, WMS, TMS, and BMS. This advancement has driven the evolution of operations from experience-based management to intelligent decision-making. Decision-making efficiency in warehouse scheduling and operational scenarios has increased by over 30%, while productivity in business analysis, intelligent data queries, and tender preparation has improved by 50%–70%.



Extreme Scenario Validation: Breakthrough Performance During Double 11

During the 2025 Double 11 shopping festival, XiaoJin successfully withstood stress tests involving peak volumes of tens of millions of orders, delivering significant improvements across critical supply chain metrics: Peak order processing capacity increased by 280%; Picking and sorting efficiency for complex orders improved by 20%; Parcel handover dwell time reduced by 1 hour; On-time order delivery rate exceeded 99.7%. In addition, efficiency in roles such as order processing, packaging, and verification improved substantially, while data query and decision-support efficiency increased by over 50%. These enhancements significantly reduced labor consumption and material waste through optimized operations.

AI-Driven Green Supply Chain Development

The XiaoJin intelligent agents, together with AI-powered route optimization algorithms embedded in the supply chain control tower, dynamically plan transportation routes and reduce redundant mileage, directly lowering carbon emissions in logistics. Intelligent warehouse network optimization enhances space utilization and energy efficiency, thereby reducing energy consumption. Meanwhile, the Yanyun Infinity platform establishes carbon emission tracking and management systems for customers, enabling carbon data across the entire industrial chain to be perceptible, measurable, and manageable. This facilitates coordinated decarbonization across upstream and downstream partners.Through AI-driven transformation of supply chain operations, the Group achieves synergistic improvements in efficiency and low-carbon development, embedding ESG objectives into its core business scenarios.

Guided by the upgraded Data × AI strategy, the Group continues to integrate the Yanyun AI full-stack technologies with the XiaoJin intelligent agents. Leveraging dual digital-intelligence engines, it enhances efficiency, optimizes costs, and promotes green and low-carbon development. Looking ahead, the Company will further deepen the integration of AI with industrial scenarios, continuously unlocking ESG value through technological innovation and contributing to high-quality, sustainable development across the value chain.

Highlight 2: Deepening a New Model of Customer Co-Creation — Lifecycle Services Empowering High-Quality Growth

Customers are the cornerstone of sustainable development for Digital China Holdings (DC Holdings). In 2025, the Group placed its customer strategy at the core of its development agenda. By focusing on both the deep cultivation of existing customers and the expansion of new ones, the Group strengthened long-term partnerships through the "Baobei Program" and broadened market coverage through the "Zhaixing Program." Through refined operations, stringent service quality assurance, and continuous enhancements in customer satisfaction and loyalty, the Group created long-term commercial and social value, thereby reinforcing the customer foundation for ESG-driven sustainable development.

During the 2025 Double 11 shopping festival, the Company's order volume increased by more than 50% year-on-year. Through refined, tiered customer management, the net number of retained customers rose to 508, while the net revenue renewal rate reached 100%, representing an 8% year-on-year increase. In addition, the Company successfully secured five new customers, each contributing annual revenues exceeding RMB 10 million.

Deepening Engagement with Existing Customers: The "Baobei Program" — Lifecycle Partnership to Build Long-Term Trust

Centered on the Baobei Program, the Group focuses on the in-depth management of existing customers, aiming to enhance customer lifetime value and cultivate long-term, stable strategic partnerships. The Company has also extended its end-to-end integrated supply chain services to overseas markets, covering Southeast Asia, the Middle East, and Latin America. This expansion supports clients in their global business deployment and elevates service capabilities from domestic operations to a worldwide scale.

To further enhance customer experience, the Company has established a customer experience measurement model based on the Net Promoter Score (NPS). Dedicated service managers are assigned to key clients, with monthly KPI reviews and routine customer visits conducted to form a proactive service mechanism. Leveraging AI intelligent agents to analyze customer tickets and feedback in real time, potential risks—such as system congestion and logistics delays—can be anticipated and addressed in advance. This approach transforms service delivery from reactive response to proactive prevention.

Supported by this program, the Company has maintained partnerships with multiple clients for more than a decade, fostering deep mutual trust. In 2025, the customer complaint resolution rate reached 100%, and customer service satisfaction achieved 99.9%, demonstrating the Company's long-term commitment to delivering high-quality services.

Expansion of New Customers: The "Zhaixing Program" — Precision Empowerment Across Industries to Broaden Value Reach

Leveraging the "Zhaixing Program," the Group has rapidly expanded its base of new customers. Drawing on modular service capabilities and profound industry expertise, the Company delivers flexible and customized solutions tailored to clients across diverse sectors. Based on an atomized matrix of standardized capabilities, and aligned with the characteristics of industries such as consumer electronics, smart communications, fast-moving consumer goods (FMCG) and beauty, as well as durable consumer goods, the Company assembles adaptable service solutions for specific market segments.

By transforming more than two decades of supply chain know-how into scalable and replicable industry capabilities, the Group efficiently meets customers' needs for digital-intelligent transformation and supply chain upgrading. In 2025, the Company successfully expanded its portfolio of high-quality industry clients, further improving its customer structure and market positioning, thereby laying a solid foundation for long-term, stable growth.

Lean Service Operations: Strengthening Efficiency to Ensure Service Excellence

Focusing on five key dimensions—fulfillment, quality, inventory, workforce productivity, and space utilization—the Group has established a warehouse performance indicator system that is "visible, measurable, manageable, and continuously evolving." This framework enhances lean supply chain management and consistently improves customer satisfaction.

In warehousing management, the Company upgraded standard operating procedures (SOP) across the entire supply chain. Through the "One Position, One Screen" initiative, it has driven operational transformation. As a result, shipment productivity per order increased by 9% year-on-year. Key warehouse performance indicators also improved significantly, with on-time shipment rates reaching 99.97% and the 24-hour order pickup rate rising to 99.75%, demonstrating substantial operational enhancements.

In inventory management, the Company adopted the Defects Per Million Opportunities (DPMO) methodology to rigorously control inventory accuracy, achieving a rate of 99.98%. This provides a solid foundation for efficient fulfillment and has earned broad recognition from customers through stable, efficient, and reliable service capabilities.

Customer Co-Creation: Engagement and Recognition Demonstrating Service Value

In 2025, the Company hosted the inaugural "NextChain · Digital China 2025 Smart Supply Chain Innovation Conference." The event brought together hundreds of representatives from government bodies, industry associations, enterprises, universities, investment institutions, and media organizations to explore the integration of AI and supply chains. Leading customers participated in experience-sharing sessions and strategic cooperation signings, fostering an open and mutually beneficial industry exchange platform.



In 2025, Instant Technology Logistics, a subsidiary of the Group, was honored as Canon's "2025 Strategic Procurement Partnership Contribution Award" and "2025 Transportation KPI Excellence Award" for its outstanding services. This and other recognitions from clients underscore the effective implementation of the Company's customer strategy and its service excellence.



In 2025, the Group achieved steady customer retention, breakthroughs in new customer acquisition, enhanced service quality, and strengthened ecosystem collaboration. Together with its clients, it continues to build a sustainable service community.Looking ahead, the Company will remain committed to its customer-centric philosophy. By delivering higher-quality services and creating greater value for customers, it aims to foster stable and healthy customer relationships and drive high-quality, sustainable development for both the enterprise and the broader industry.

Highlight 3: Fostering a New Ecosystem for Industrial Synergy – Open Collaboration to Drive Sustainable Development Momentum

Ecosystem synergy is the core pathway to high-quality industrial development in the digital economy era. In 2025, Digital China Holdings (DC Holdings), upholding its core values of altruism, openness, and win-win cooperation, leveraged three key drivers – standard setting, business collaboration, and technological innovation – to build a full-chain industrial ecosystem. During the year, the Group entered into strategic partnerships with 15 leading industry enterprises and successfully launched the "Supply Chain + AI Ecosystem Alliance," promoting resource efficiency, green and low-carbon operations, and industry-wide prosperity through open collaboration, thereby laying a solid ecological foundation for ESG-driven sustainable development.



I. Standard Setting: Building a Multi-Level Standards System to Strengthen Industry Foundations

The Group has made standard setting a core focus, establishing a multi-level standards ecosystem covering national, industry, group, and corporate levels, thereby enhancing its industry influence and regulatory leadership capabilities. In 2025, the Group led or participated in the development of 225 national, industry, and group standards – 123 officially released and 102 under development – representing a 22.3% increase from 184 in 2024. The Group holds 3,415 intellectual property rights, with 238 newly added during the year. As a member of the Trusted Data Space Development Alliance, the Company has been deeply involved in drafting two major national big data standards, co-published the China Logistics Data Development White Paper, and participated in drafting key documents such as the industry standard for "one code to the end" in electronic supply chains and the group standard for cross-border e-commerce platform operations. Upholding a tiered approach to standard setting, the Group led the release of the national standard Software Process Capability Maturity Model, was recognized with the "Top Five Group Standards of the Year" award for leading the development of the Technical Requirements for Large Language Model Financial Applications, and released the first corporate standard for AI Coding, promoting orderly digital and green transformation of the industry through standardization.

II. Business Collaboration: Building a Supply Chain Ecosystem Network to Achieve Multi-Party Value Creation

Leveraging network synergy and resource integration, the Group has built an efficient, intensive, green, and low-carbon supply chain business ecosystem, enabling upstream and downstream value co-creation and optimal resource allocation.

- *ITL Cloud Warehouse Sharing Platform:*

By integrating high-quality third-party warehousing resources nationwide, the Group has built a large-scale, tightly managed operational network. For small and medium-sized clients, the Group launched the lightweight SaaS solution "ITL Cloud Warehouse," helping enterprises rapidly achieve AI-driven supply chain transformation, improve operational efficiency, reduce vacancy rates and redundant construction, and promote intensive land and energy use as well as end-to-end carbon reduction.

- *Logistics Data Open Interconnection Initiative:*

On April 30, 2025, the Group joined 16 pilot cities, Beijing Jiaotong University, the China Federation of Logistics & Purchasing, and other organizations to launch an initiative focused on four key areas: data circulation, industrial synergy, security and trustworthiness, and digital ecosystems. Together, they are building infrastructure, participating in standard setting, and innovating value models to promote compliant and efficient data flow and efficient supply chain collaboration.

III. Technological Innovation: Deepening Industry-University-Research Integration to Build a Cutting-Edge Technology Ecosystem

Supported by top-tier industry-university-research collaboration, the Group focuses on cutting-edge technological innovation to build a complete technology ecosystem – from basic research to industrial application, and from high-end talent to frontline skills.

Industry-University-Research Collaboration Driving Technological Advancement: In 2025, the Group established the Intelligent Software Joint Lab with Peking University and the Data Intelligence Research Institute with Beijing Jiaotong University, engaging in deep collaboration on cutting-edge data and AI technologies and their application in supply chain scenarios. The Group also partnered with the China Academy of Information and Communications Technology (CAICT), the Beijing Fintech Institute, and other institutions to build a full-stack financial AIGC ecosystem, and established joint labs with several regional banks to drive deep deployment and large-scale application of cutting-edge technologies in financial scenarios.

Practice-Driven Talent Development: For three consecutive years, the Group has served as a technical support unit for the Henan Provincial Logistics Industry Vocational Skills Competition. The Shenzhou JinKu system, as the official competition platform, has also been deeply integrated into the daily teaching curricula of participating institutions, becoming standardized teaching software for vocational training in logistics. Students learn using the same systems deployed by leading industry enterprises, enabling a seamless transition from education to employment. This "competition-driven teaching and learning, integrating competition with education" model effectively addresses the gap between theory and practice in traditional vocational education, providing a solid foundation for the supply of digital logistics talent and the sustainable development of the industry.

Frontier Exploration Shaping the Industry's Future: In 2025, the Group's subsidiary ITL formed a strategic partnership on embodied intelligence with UQI Youqi, a subsidiary of UBTECH, to establish a Logistics Embodied Intelligence Joint Lab. Together, they are tackling key technologies such as multimodal recognition and autonomous learning operations, developing a "cloud brain + terminal brain" dual-core architecture to achieve unmanned operations in labor-intensive processes such as loading/unloading and picking. The two parties are also jointly developing open interface protocols and participating in industry standard setting to promote large-scale replication of embodied intelligence, helping transform the logistics industry into a technology-intensive sector.



In 2025, the Group broke down barriers through an open ecosystem and created value through collaborative efforts – achieving resource efficiency and green and low-carbon operations through its business ecosystem, and driving innovation sharing and talent empowerment through its technology ecosystem. Going forward, the Company will continue to deepen its ecosystem strategy, working with partners to build a safe, efficient, green, and intelligent industrial community, driving high-quality, sustainable industry development through ecosystem prosperity.

Highlight 4: Exploring New Pathways for Green Computing Power — Low-Carbon Operations Leading Sustainable Transformation

The explosive growth of artificial intelligence has driven a rapid surge in demand for computing power, bringing increasing challenges related to energy consumption, resource utilization, and environmental impact. In 2025, Digital China Holdings (DC Holdings) actively responded to China's national "Eastern Data, Western Computing" initiative and high-quality computing power development strategy. The Group deeply integrated green and low-carbon principles into the full lifecycle of computing infrastructure—spanning planning, construction, operation, and recycling. Through technological innovation and refined operational management, it has established a new paradigm for green computing, ensuring efficient computing power supply while continuously reducing environmental impact and fulfilling its commitment to sustainable development.

Green Operations: Enhancing Energy Efficiency Through Technological Innovation

The Group has made energy conservation and efficiency improvement a core objective of computing power operations. Driven by both proprietary platforms and green technology upgrades, it continues to enhance energy utilization efficiency.The self-developed HISO Heterogeneous Intelligent Computing Scheduling and Operations Platform enables unified scheduling and intelligent allocation of computing resources across architectures and vendors. Leveraging strategies such as dynamic load balancing and intelligent hibernation, the platform significantly reduces idle energy consumption. As a result, the Power Usage Effectiveness (PUE) of the data centers operated by the Group has reached 1.2, representing a leading level within the industry.

In terms of green technology deployment, the Company has collaborated closely with Schneider Electric to implement large-scale liquid-cooling retrofits in IDC facilities. Following the upgrades, PUE decreased from 1.5 to 1.1, reducing overall energy consumption by approximately 25%. These solutions were successfully implemented across multiple client projects in the second half of 2025. Looking ahead to 2026, the Group plans to advance an 800V DC power supply architecture to replace traditional AC systems in data centers. In collaboration with industry leaders such as Schneider Electric and Delta Electronics, this initiative aims to further improve power efficiency, reduce transmission losses, and strengthen the foundation of green computing infrastructure.



Circular Economy Practices: Green Recycling and Asset Regeneration of IT Equipment

In the second half of 2025, the Group officially launched its green IT equipment recycling business and obtained authoritative certifications for environmentally responsible recycling. The value of equipment recovered during the period reached RMB 50–60 million. Focusing on core computing hardware such as GPUs, CPUs, and servers, the Company has established a closed-loop system of "Recycling – Refurbishment – Reuse." Through compliant data erasure, professional testing and refurbishment, and secure resale and redeployment, the initiative effectively extends the lifecycle of electronic equipment, reduces electronic waste, and conserves primary resources. This circular economy model supports the low-carbon transformation of the computing power industry.

Green Computing Outlook: Target-Driven Development and Long-Term Planning

Looking ahead, the Group will continue to deepen its green computing power deployment, focusing on four key directions: optimizing the location of computing centers in regions rich in renewable energy to increase the proportion of clean energy use; expanding the application of advanced cooling technologies such as liquid cooling and natural cooling to continuously reduce cooling-related energy consumption; leveraging the intelligent scheduling capabilities of the HISO platform to achieve precise matching and efficient utilization of computing resources while minimizing unnecessary energy use; and exploring methodologies for calculating the carbon footprint of computing power to provide customers with end-to-end green computing solutions.

The Group is currently formulating quantitative targets and implementation timelines for green computing. It plans to disclose PUE optimization targets and renewable energy utilization goals in the next reporting cycle. In the near term, the Company will explore the procurement of Green Electricity Certificates (GECs) to reduce data center carbon emissions and establish diversified decarbonization pathways.

Green computing has become a critical component of corporate core competitiveness. Guided by science-based carbon objectives, the Group will continue to advance technological innovation and management optimization, driving its computing infrastructure toward comprehensive green and low-carbon development. Through these efforts, Digital China Holdings will contribute to China's "Dual Carbon" goals and support the high-quality development of the digital economy.





1.1 Governance Structure and Ethical Standards
1.2 Risk Management and Internal Controls
1.3 Data Security and Privacy Protection
1.4 Technology Innovation and Intellectual Property
1.5 Quality Management and Service Assurance
1.6 Supply Chain Management and Empowerment

Governance

1.0 Governance: Building a Responsible Corporate Governance System

1.0 Governance: Building a Responsible Corporate Governance System

A robust and highly forward-looking corporate governance structure is the anchor that enables Digital China Holdings to navigate economic cycles and achieve a stable landing for its "Data×AI" strategy. As a Hong Kong-listed company deeply rooted in the technology sector, the Group upholds high standards of ethical conduct, strictly maintains the compliance baseline, and deeply embeds compliant operations, business ethics, risk management, information security and responsible supply chain management into every line of code and every business transaction, laying a solid foundation for the Company's long-term development.

1.1 Governance Structure and Ethical Standards

1.1.1 Corporate Governance

Corporate Governance Structure

The Group strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules and the Corporate Governance Code of The Stock Exchange of Hong Kong Limited, as well as the requirements of the Company's Articles of Association, and has established a multi-tiered, standardized governance structure comprising the general meeting of shareholders, the Board of Directors, Board committees and senior management. Each governance body performs its duties in accordance with the law, operating with effective checks and balances and coordination to ensure the Company's compliant operation and sustained healthy development. In 2025, the Company held annual general meetings, 4 Board meetings and 2 Audit Committee meetings in accordance with laws and regulations, conducting rigorous deliberation and authorization on material matters to ensure efficient and transparent capital operations.

Board Independence

The Board of Directors steers the Company's strategic direction. The Board currently comprises 10 members, including 3 executive directors (including the Chairman of the Board who concurrently serves as CEO), 2 non-executive directors and 5 independent non-executive directors. Independent non-executive directors account for 50%, and this half-Board independent director composition builds a strong objective supervisory force, ensuring that Board decisions are aligned with the overall interests of the Company.

Board Diversity

The Group deeply appreciates that a diverse cognitive structure is key to preventing groupthink, maintaining innovative vitality and enhancing decision-making quality. The Company has established a clear Board diversity policy, taking into consideration multiple dimensions including gender, age, cultural background and professional experience. In terms of diversity, the number of female directors is maintained at 2, accounting for 20%. Board members' professional backgrounds span cutting-edge technology, financial audit, macroeconomics and risk management, among other fields, ensuring that multi-dimensional professional insights are available when deliberating complex AI investments or cross-border business matters.

Committee Professionalism

All members of the Audit Committee are independent non-executive directors, with a director possessing an audit professional background serving as chairman, ensuring the absolute impartiality of internal control reviews. The chairman of the Remuneration Committee is an independent non-executive director with industry knowledge and professional background, responsible for overseeing the linkage mechanism between remuneration policies and ESG performance. The majority of members of the Nomination Committee are independent non-executive directors, responsible for reviewing the professional qualifications and diverse backgrounds of director candidates, ensuring the Board maintains an open and inclusive governance perspective.

Operational Management Mechanism: President's Office Working System

To ensure the efficient implementation of corporate strategy, strengthen closed-loop management, and reinforce the execution of key initiatives, the Company has established the President's Office working mechanism at DC Holdings. This mechanism forms a scientific and standardized system for operational decision-making and management execution. The President's Office consists of the core leadership team, heads of business groups, leaders of professional functions, and heads of innovative business units. Members serve three-year terms and are subject to regular dynamic adjustments.

As both the decision-making body for major corporate matters and the executive body for daily operations, the President's Office operates under the authorization of the Board of Directors. Its responsibilities include strategic planning, coordinated advancement of ESG initiatives, development of rules and processes, organizational culture, financial management, auditing, and risk control. Through a "Five-Meeting" mechanism—comprising monthly operational analysis meetings, special topic meetings, strategic workshops, democratic life meetings, and periodic review meetings—the President's Office ensures scientific and democratic decision-making. Following each meeting, minutes and action items are documented and tracked through closed-loop follow-ups to ensure that strategic execution remains aligned, operational management is measurable, and risks are promptly rectified, thereby comprehensively enhancing organizational efficiency and governance capabilities.

[Case Study: Management Practice — Digital China Holdings Management Declaration]

To strengthen leadership accountability, unify management philosophies, and safeguard sustainable development, the President's Office of Digital China Holdings has officially issued the "Management Declaration" as a code of conduct and value guide for all managers. Its core principles include:

Customer Success and Value Creation: Uphold a customer-first approach, designing processes and solving problems based on customer value.

Ownership Mindset: Prioritize the Company's long-term interests, demonstrating accountability and diligence without evasion.

Goal Orientation and Accountability: Honor commitments, focus on results, and deliver on promises with determination.

Hands-On Execution and Pragmatism:** Engage at the operational frontline, identify root causes, and resolve substantive issues.

Curiosity and Continuous Learning: Respond proactively to market changes and embrace new technologies and paradigms.

Practice-Oriented Evaluation and Periodic Review: Encourage prudent experimentation, strengthen process reviews, and implement dynamic adjustments.

Talent Appreciation and Inclusiveness: Attract outstanding talent while fostering an open, inclusive, and nurturing environment.

Employee Care and Team Cohesion: Listen to employee needs, promote collaboration, and build collective strength.

Execution and Collaboration: Firmly implement corporate decisions, enhance synergy, and build capabilities at the organizational level.

The "Management Declaration" promotes self-discipline, self-reflection, and accountability among management while reinforcing oversight. Through strong and principled leadership, it supports the Company's high-quality and sustainable development.

1.1.2 Compliance and Integrity

Multi-Pronged Approach: Building a Culture of Compliance and Integrity

Digital China Holdings regards "fairness, integrity and probity" as the bottom line for corporate survival and the most important intangible asset. The Company systematically and continuously advances its anti-corruption mechanism, forming a "four-in-one" anti-corruption system comprising publicity, prevention, discipline and improvement mechanisms: publicity serves as the foundation, with continuous integrity education embedding a culture of probity into the corporate DNA; prevention is the key, with corruption prevented through the ISO 37001 management system and internal audits; discipline provides the guarantee, with zero tolerance for corruption and resolute referral to judicial authorities; and improvement is the goal, with continuous optimization of risk management and internal monitoring systems and annual updates to risk assessment standards. The Board has established an Audit Committee, chaired by an independent non-executive director, to comprehensively oversee the Group's business ethics and anti-corruption efforts.

The Group continues to deepen the institutional protection network centered on the "Digital China Holdings Integrity Policy" and the "Digital China Holdings Whistleblowing Policy," clearly defining red lines for integrity in business conduct and maintaining a "zero tolerance" attitude towards fraud. These policies apply to all employees (including part-time staff) and partners of the Group. The reporting channel is open 24 hours a day to all employees and external partners, who may report various fraudulent and non-compliant behaviors openly through the dedicated reporting mailbox (dchaudit@dcholdings.com), with a commitment to providing the highest level of identity protection to whistleblowers. The Company has fully embedded anti-corruption training into new employee onboarding and mandatory annual courses for all staff.

A company under our group, pioneered ISO 37001:2016 Anti-Bribery Management System certification on 7 October 2023, becoming the first entity within the Group to obtain this internationally authoritative anti-bribery certification. The certification scope covers bribery risk management related to organizational activities, including bribery risks across all departments and direct and indirect bribery conducted by the organization itself, employees and business partners. The anti-bribery policy explicitly states "operating in accordance with the law, acting with integrity, resisting corruption and providing quality services," with zero tolerance for bribery/corruption incidents. The Group's ISO 37001 Anti-Bribery Management System certification remains valid, having successfully passed the annual surveillance audit in 2025, with audit results demonstrating that the system meets international standard requirements in both design rationality and operational effectiveness. The Group plans to gradually extend the scope of ISO 37001 certification to additional core business entities when conditions are ripe.

In 2025, a total of 2 fraud and misconduct cases were substantiated through internal investigations within the Group. For employee misconduct, the Company has taken disciplinary actions in accordance with relevant regulations, recovered the relevant improper amounts, imposed penalties on the individuals involved as prescribed by law and internal policies, and circulated warning notices internally to continuously strengthen compliance and anti-fraud management.

In addition, with respect to the embezzlement case reported to and substantiated by the Internal Audit Department in 2024, the Company promptly launched a special investigation and subsequent follow-up actions. The judicial proceedings for this case were completed in 2025, and formal judicial documents were obtained in February 2026. The individuals involved were held criminally liable in accordance with the law, and the full amount of the losses incurred has been recovered. Taking this as an opportunity, the Company conducted comprehensive self-inspections and process rectifications, further closing management loopholes and reinforcing the defense line for asset security and compliant operations.

Compliance and Integrity Indicator	2025 Data	2024 Comparison
Anti-corruption Training Coverage	100%	100%
Supplier Integrity Agreement Signing Rate	100%	100%
Concluded Corruption Litigation Cases	1 case	0 cases
Fraud Cases Investigated	2 cases	3 cases, 4 dismissed
ISO 37001 Certification Status	Passed annual surveillance audit	Passed surveillance audit

[Case Study: Building a Strong Defense Through Police–Enterprise Collaboration — Safeguarding Development with Integrity and Anti-Corruption]

In 2025, the Group's Audit Department, together with the Human Resources and Administration Department and local public security authorities, organized an integrity-themed seminar covering key management personnel in the warehousing and logistics sector. The session focused on addressing corruption risks prevalent in the industry. Through a combination of warning education using typical cases presented by the police and an interpretation of the Company's integrity compliance system, the seminar strengthened the ability of key personnel to identify and prevent integrity risks, shifting integrity education from "passive notification" to "active prevention," thereby further reinforcing the Company's anti-corruption defenses. Looking ahead, the Group will continue to deepen police-enterprise cooperation, regularly carry out integrity awareness education and special inspections, and continuously infuse "clean energy" into its stable operations.

The event focused on corruption risks within the warehousing and logistics industry. Police officers delivered warning-based training using typical cases involving embezzlement, bribery in the non-public sector, and misappropriation of funds, providing in-depth analyses of risk manifestations and legal consequences. Concurrently, the Group's Audit Department interpreted the Measures for the Administration of Integrity in Professional Conduct, clarifying the "Five Red Lines" of integrity requirements. By integrating institutional guidance with real-world case studies, the seminar strengthened employees' sense of accountability and compliance. This police–enterprise collaboration effectively enhanced the ability of personnel in critical positions to identify and mitigate integrity risks, shifting integrity education from passive awareness to proactive prevention and further reinforcing the Company's anti-corruption defenses. Looking ahead, the Group will continue to deepen cooperation with law enforcement authorities, regularly conduct integrity awareness programs and targeted inspections, and inject sustained "integrity momentum" into its stable and compliant operations.



Working Hand in Hand: Upholding a Transparent and Ethical Business Ecosystem

In supplier management, the Company has signed the Integrity and Ethical Cooperation Agreement for Business Partners with all non-original equipment manufacturer (non-OEM) suppliers, achieving a 100% signing rate. As a committed member of the Sunshine Integrity Alliance, the Company actively participates in industry self-regulation by sharing anti-fraud blacklist data with alliance partners. Through data and information exchange, the Company contributes to fostering a clean and transparent business environment and strengthening collective anti-fraud efforts.

Fair Competition Statement

Digital China Holdings adheres firmly to the principles of fair competition and strictly complies with antitrust and competition laws and regulations in all jurisdictions where it operates. The Company prohibits any form of price manipulation, market allocation, or unfair competition. Anti-competition compliance requirements have been incorporated into the Employee Code of Conduct and annual compliance training programs. During the reporting period, the Group was not involved in any litigation or penalties related to anti-competition or anti-monopoly matters.

Tax Transparency

Digital China Holdings upholds a responsible approach to tax management and strictly complies with applicable tax laws and regulations in all jurisdictions where it operates. The Company fulfills its tax obligations in accordance with the law and actively contributes to public finances. It opposes any form of aggressive tax planning and does not engage in unreasonable base erosion or profit shifting through the use of tax havens or artificial arrangements. The Company's finance department receives regular tax compliance training to ensure the accuracy and timeliness of tax filings.

1.2 Risk Management and Internal Controls

In today's world of exponential technological iteration, risks are highly concealed and cascading. Effective risk management and internal controls form the foundation of sound business operations. Digital China Holdings has established a comprehensive risk management system oriented towards preventing major risks and optimizing processes. By establishing and refining internal control systems, the Group integrates risk management requirements into daily management activities and business processes.

Compliant Operations: Building an Internal Control System

The Group has established an internal control system with the Board of Directors as the highest decision-making body, formulating and implementing enterprise management and internal control systems covering all business segments of the Company's operations. This system covers the full chain of management processes from strategic planning, business approvals and financial management to information disclosure, ensuring the compliance, effectiveness and traceability of operational decisions by clearly defining authority boundaries and accountability at each level.

Three Lines of Defense: Building a Robust Risk Management Barrier

First Line of Defense	Led by business line presidents and operational management of each division, responsible for conducting real-time risk identification and mitigation in daily business processes (such as major project tenders and new product launches), bearing primary responsibility for day-to-day risk management;
Second Line of Defense	Comprising the Group's legal, compliance and risk control departments, responsible for establishing unified risk thresholds and assessment tools, and providing professional compliance review and guidance;
Third Line of Defense	Comprising the internal audit department reporting directly to the Audit Committee, conducting independent penetration audits, regularly evaluating design deficiencies and execution gaps in the internal control system, and supervising the effectiveness of the risk management system.

The Company has established a systematic risk management framework for risk identification, assessment, and response. In 2025, in response to changes in the external environment, the Group dynamically updated its risk profile inventory and designated "ethical and intellectual property risks associated with generative artificial intelligence," "the impact of international geopolitical developments on the supply chain," and "extreme physical risks arising from climate change" as high-priority risks for annual control and management. Targeted emergency response plans and business continuity plans (BCP) were formulated for each of these risk categories. To date, the Company has identified 109 risks, 39 of which are directly related to ESG. As of 2025, the Group has identified 51 ESG-related risks, representing a 12-point increase from the previous year's 39 items. The newly added risks mainly include 12 ESG thematic risks, including: Environmental risks: carbon emissions risk, energy consumption risk, water resource management risk, waste disposal risk;Social risks: employee rights risks, community relationship risks, product liability risks, supply chain management risks;Governance risks: board governance risks, management incentive risks, information disclosure risks, and shareholder equity protection risks.

1.3 Data Security and Privacy Protection

In the "Data×AI" strategy, high-quality data is the fuel driving decisions. Data has become one of the most valuable corporate assets. Digital China Holdings is acutely aware that safeguarding data security and user privacy is tantamount to safeguarding the Company's lifeline. The Group adheres to the overarching principle of "safety first, prevention-oriented, comprehensive governance," building a security protection system covering the entire data lifecycle.

1.3.1 Ensuring Data Security

Architecture Building: Information Security Organizational Assurance

Digital China Holdings has established a top-down information security governance structure. The Group's Information Technology Leadership Committee serves as the highest decision-making body within the information security management system and provides overall strategic direction. Within the Information Technology Management Department, a dedicated information security team has been established, comprising full-function working groups responsible for planning, implementation, operations and maintenance, and audit. These are organized into the Information Security Committee, the Planning and Management Group, the Implementation and Operations Group, and the Audit and Control Group, thereby forming a complete closed-loop system from policy formulation to execution and oversight.

To further strengthen top-level governance of data security, the Group has also established a Data Security Management Team, jointly formed by compliance, technology, human resources, finance, and core business units. A three-tier linked organizational mechanism of "decision-making – management – execution" has been put in place to clarify data security roles, responsibilities, and collaborative processes, ensuring policy implementation, risk controllability, and incident responsiveness.

Policy Development: Issuance and Implementation of the Data Security Management Standards to Strengthen the Compliance Foundation

To fully comply with the requirements of the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law, and other relevant laws and regulations, the Group, leveraging the DSMM (Data Security Capability Maturity Model), has formally issued and implemented the Data Security Management Standards (V1.0). These standards were drafted by the Software and Intelligentization Department and approved by the Office of the President. They have been disseminated and rolled out Group-wide via the intranet, establishing a unified, systematic, and actionable data security management framework. Taking the issuance of these standards as an opportunity, the Group is comprehensively advancing data asset mapping, classification and labeling, permission optimization, process rectification, and compliance inspections, deeply embedding data security into all business processes to effectively enhance data governance capabilities and risk prevention levels.

[Case Study:Summary of Key Points in the Data Security Management Measures]

The core of the standards covers nine key areas:

- Defining the general principles, scope of application, and five fundamental principles of data security;
- Establishing a three-tier organizational structure of "decision-making – management – execution" with clearly defined departmental and role-based responsibilities;
- Developing a data classification and grading system comprising five major categories and four security levels (Public L1, Internal L2, Confidential L3, Highly Confidential L4);
- Covering security controls across the entire data lifecycle, including collection, transmission, storage, use, sharing, disposal, and cross-border data transfer;
- Building a technical protection system encompassing identity authentication, encryption, secure development, and AI large model security;
- Strengthening the management of high-risk scenarios such as source code security, open-source components, and outsourced collaboration;
- Establishing mechanisms for data security incident grading, emergency response, internal audit, and accountability;
- Standardizing unified document archiving and permission security management within the Feishu knowledge base; and
- Defining tiered training and assessment requirements for new hires, annual company-wide training, and key positions.

Authoritative Certifications: Forging Information Security Benchmarks

Certification/Qualification	Status
ISO 27001 + ISO 20000	Valid
CCRC Information Security Service Qualification	Valid
Information System Security Classified Protection Level II	Passed external audit
ISO 37001 Anti-Bribery Management System	Valid

In 2025, the Group's various information security certifications (including ISO 27001 Information Security Management System, ISO 20000 Information Technology Service Management System, and Information System Security Level Protection) remained effective and passed the annual audits. These certifications cover multiple core operational entities, including Digital China Information Services Co., Ltd., Shenzhen Instant Technology Logistics Co., Ltd., Beijing Instant Technology Logistics Co., Ltd., Shenqi Digital Co., Ltd., and Beijing Digital China Enovatech Technology Service Co.,Ltd. Additionally, the Company holds the CCRC Information Security Service Qualification Certification (Level 3, Software Security Development Service), ISO 9001 Quality Management System Certification, and ISO 14001 Environmental Management System Certification, establishing a multi-dimensional certification system that covers information security, quality management, and environmental management.

Strengthening Awareness: Conducting Data Security Training

Security is never absolutely static; it is inherently a dynamic process of continuous defense and countermeasures. The Company has established a multi-tiered and comprehensive security training system, embedding data security training into new employee onboarding programs. This is complemented by confidentiality clauses in labor contracts and cybersecurity commitment letters for relevant positions, thereby strengthening security awareness from the outset.

The Group regularly conducts organization-wide simulated phishing email tests and data breach emergency drills. In July 2025, it launched a dedicated training program titled "Cybersecurity and Data Privacy Protection." The program systematically covered key topics, including cybersecurity fundamentals, data privacy protection principles, cybersecurity technologies and tools, best practices for data privacy protection, internal cybersecurity management strategies, and response procedures for cybersecurity incidents and data breaches. Online knowledge assessments were conducted concurrently, forming a dual closed-loop mechanism of "training + evaluation" to reinforce employees' capabilities in data security and privacy protection, ensuring that security requirements are deeply embedded in daily operations.



To further test the effectiveness of its emergency response mechanisms, the Company conducted a practical drill on July 18, 2025, simulating a customer information leakage incident involving 5,000 records from the Vault Warehouse Management System. The exercise comprehensively covered the entire response process, including breach detection, severity classification, root cause investigation, emergency containment, system rectification, customer communication, loss mitigation, and post-incident review and optimization. It enabled the precise identification of vulnerabilities in system access controls, endpoint security, and data export management, followed by closed-loop improvements. Through a three-pronged approach encompassing routine training, specialized courses, and practical drills, the Group continues to enhance employee security awareness, risk identification capabilities, and emergency response readiness. These efforts provide robust safeguards for data security and privacy protection.

1.3.2 Privacy Protection

In light of the vast volume of C-end consumer privacy data and B-end enterprises' core operational data, the Company has established a rigorous sensitivity-based security control matrix founded on data value and degree of sensitivity, classifying data into Top Secret, Confidential, Internal, and Public categories, and applying differentiated security controls to each category accordingly. At the data collection stage, the Company strictly adheres to the principles of "minimum necessity" and "explicit consent." During transmission and storage, high-strength encryption is applied through state cryptography algorithms. At the stages of data display and use, stringent data masking measures are implemented. The Company is also progressively refining the data usage clauses in customer contracts to clarify the purpose and scope of data collection, while establishing mechanisms to give effect to users' rights to be informed, to access, and to request deletion of their data, including the right to be forgotten, thereby achieving full alignment with data privacy laws and regulations such as the Personal Information Protection Law and the PDPO.

With respect to individual consumers, all business platforms automatically encrypt consumer privacy data during transmission. Customer service personnel and front-end business staff are permitted to access only desensitized and virtualized information, such as virtual phone numbers and masked addresses. Three months after the completion of business fulfillment, the system triggers an automated mechanism to carry out irreversible cleansing and destruction of the underlying consumer privacy data. The Company has also formulated detailed documents, including the Data Security and Privacy Protection Statement and the Procedure for Responding to Data Subject Rights Requests.

1.3.3 Information Leakage Prevention

The Company has established a scientifically complete data breach incident emergency response mechanism, formulating management measures including "Information Security Incident Management," "Phishing Email Emergency Response Plan" and "Ransomware Emergency Response Plan," clearly defining golden 72-hour standard operating procedures (SOP) for event discovery, classification and escalation, emergency isolation through to eradication and recovery, and establishing a tiered response mechanism.

During the reporting period, the Group maintained a perfect "zero occurrence" record for data security incidents, with no major data breach, information security infringement or customer privacy leakage incident occurring. This achievement is attributable to the Group's full-lifecycle tiered encryption protection system, routine adversarial drill mechanism and continuous strengthening of organization-wide security awareness.

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Information Leakage Severity Level	Response Time	Resolution Time
Level I: Critical Issue; Specific Criteria: Data leakage exceeding 100,000 records, or more than five infected machines.	Within 10 minutes; a remediation plan submitted within 30 minutes	Within 6 hours
Level II: Major Issue; Specific Criteria: Data leakage ranging from 10,000 to 100,000 records, or two to five infected machines.	Within 10 minutes; a remediation plan submitted within 30 minutes	Within 12 hours
Level III: Moderate Issue; Specific Criteria: Data leakage involving fewer than 10,000 records, or one infected machine.	Within 10 minutes; a remediation plan submitted within 30 minutes.	Within 24 hours

1.4 Technology Innovation and Intellectual Property

1.4.1 R&D Innovation

In the race toward intelligent transformation, whoever masters core foundational technology patents holds the power to shape industry rules. DC Holdings regards investment in technological research and development as the most certain form of strategic investment. In 2025, the companyl invested 563 million yuan in research and development costs (excluding amortization of other intangible assets) The Company has established an efficiently operating software research, development, and application system, forming a complete R&D closed loop that spans requirement collection, functional design, technology development, testing and validation, and system operation, maintenance, and customer service. The Company has also established a comprehensive qualification and certification management system, and has obtained a number of authoritative certifications, including CMMI Level 5 (Capability Maturity Model Integration), ISO 27001 Information Security Management System, ISO 9001 Quality Management System, ISO/IEC 20000-1 Information Technology Service Management System, ISO 14001 Environmental Management System, and CCRC Information Security Service Qualification (Level III). These certifications cover multiple dimensions, including secure software development, information security, quality management, IT services, and environmental management. We also attach importance to the environmental impact of R&D activities. By leasing public cloud services instead of purchasing hardware equipment, the Company effectively reduces resource consumption.

1.4.2 Intellectual Property

IP Indicator	2025 Data	2024 Comparison
Software Copyrights	2,819	2,588
Patents	176	164
Trademarks	420	425
Total IP	3,415	3,177
Standards Led/Co-authored (Cumulative)	225	184

During the reporting period, the Group also achieved substantial results in intellectual property: it added no fewer than 71 new intellectual property rights, bringing its cumulative total to over 3,400, while the cumulative number of standards it has led or participated in drafting reached 225, including 100 that have been officially issued and 92 that remain under development. In terms of intellectual property management, the Company has established a sound intellectual property management system. All research and development outcomes generated by employees in the course of performing their duties or through the use of corporate resources are owned by the Company. Upon completion of product development, applications for software copyright registration must be submitted. Employees are required to sign Confidentiality Agreements and assume confidentiality obligations with respect to unpublished research and development information. The Company conducts an annual review of the validity of its intellectual property rights and has established an early warning mechanism for the payment of patent annuities. Where any infringement is identified, an investigation must be initiated and rights protection measures taken within 15 days.

1.5 Quality Management and Service Assurance

1.5.1 Quality Control

In the demanding realm of B2B services, delivery quality determines the depth of customer trust. Relying on a project delivery management system based on PMBOK, a software maturity framework based on CMMI Level 5, the highest global standard, and the ISO 9001 quality management system, DC Holdings has established end-to-end quality gates covering the entire process from requirements analysis, architecture design, and coding to pilot testing and final deployment. In particular, Shenqi Digital, a subsidiary of the Group, obtained CMMI Level 5 certification, marking the Group's software engineering capabilities as having reached a leading international standard. The Company has also developed an original "three-tier, multi-dimensional inspection network," consisting of headquarters quality control spot checks, regional quality control inspections, and self-inspections at individual operating sites.

Company	Certification
Beijing Instant Technology Cloud Service Co., Ltd.	ISO 9001 Quality Management System Certification
Beijing Instant Technology Logistics Co., Ltd.	ISO 9001 Quality Management System Certification
	ISO 13485 Medical Devices Quality Management System Certification
Shanghai Instant Technology Logistics Co., Ltd.	ISO 9001 Quality Management System Certification
Shenzhen Instant Technology Logistics Co., Ltd.	ISO 9001 Quality Management System Certification
	ISO 22000 Food Safety Management System Certification
Beijing Digital China Enovatech Technology Service Co.,Ltd.	ISO 9001 Quality Management System Certification
	ISO 27001 Information Security Management System Certification
	ISO 20000-1 IT Service Management System Certification
	ISO 45001 Occupational Health and Safety Management Certification
	ISO 14001 Environmental Management System Certification
Digital China Wisdom (Beijing) Technology Co., Ltd.	ISO 27001 Information Security Management System Certification
	ISO 20000 IT Service Management System Certification
	ISO 9001 Quality Management System Certification
Shenqi Digital Co., Ltd.	CMMI 5 Capability Maturity Model Integration Certification
	ISO 9001 Quality Management System Certification
	ISO 27001 Information Security Management System Certification
	ISO 20000 IT Service Management System Certification
	ISO 45001 Occupational Health and Safety Management System Certification
	ISO 14001 Environmental Management System Certification
Digital China Information Service Group Co., Ltd.	ISO 22301 Business Continuity Management System Certification
	ISO 9001 Quality Management System Certification
	ISO 27001 Information Security Management System Certification
	ISO 20000 IT Service Management System Certification
	ISO 45001 Occupational Health and Safety Management System Certification
	ISO 14001 Environmental Management System Certification

1.5.2 Service Assurance

The Company has established multiple customer communication channels, promptly understanding customer needs through monthly customer KPI achievement analysis, monthly customer visits and customer communication meetings. At the supply chain customer service interface, the Company has established a bi-weekly red/amber light early warning management mechanism for 34 key accounts (KA), transitioning from results management to process management. The supply chain intelligent agent "XiaoJin" issued over 300 reminders per day during the 2025 Double 11 promotion, automatically broadcasting the status of each warehouse in online groups across the country every hour, forming a data-driven collaborative mechanism. Dedicated service managers leverage AI intelligent agents to analyze customer feedback work order texts in real time, proactively intervening to resolve potential risks. In warehouse refined management, the Company has adopted the DPMO methodology to introduce an inventory drift management mechanism, continuously strengthening operational standards. Customized green solutions are provided for key clients' ESG requirements: building energy-efficient warehouses and AI data models for Procter & Gamble, supporting Canon's 10% green fleet requirements, and achieving 24/7 fully online paperless operational processes for Schneider Electric.

[Case Study: The 7th "King's Challenge" — Enhancing Service Assurance Capabilities Through Competition]

In September 2025, as a key component of the "NextChain · Digital China" Smart Supply Chain Innovation Conference, ITL, a subsidiary of Digital China Holdings (DC Holdings), hosted the 7th "King's Challenge." Under the theme "Smart Supply Chain Elites: Awakening Efficiency," the competition brought together outstanding employees from various regional divisions nationwide to participate in a skills contest at the Kunshan flagship warehouse. The event featured multiple practice-oriented competition modules, including Smart Packaging Selection, Supply Chain Summit, Precision Insight, and Steel Dance. These modules deeply integrated core service capabilities such as digital-intelligent operations, human–machine collaboration, green logistics, paperless processes, and recyclable packaging utilization. The competition comprehensively assessed the professional competencies of key positions in warehousing operations, intelligent sorting, system operations, and inventory management. Industry clients, experts from the China Federation of Logistics and Purchasing (CFLP), and representatives from vocational institutions were invited to serve as judges. By promoting learning, training, and excellence through competition, the event continuously enhanced frontline teams' standardized operational capabilities, emergency response readiness, and green service proficiency. It provided robust talent support for high-quality service assurance and reliable fulfillment.



1.6 Supply Chain Management and Empowerment

Digital China Holdings deeply understands that a single tree cannot withstand storms, but a forest thrives endlessly. As a leading domestic supply chain and technology service platform, the Group upholds the cooperative philosophy of "altruism, openness and win-win," viewing tens of thousands of suppliers as a community of shared interests, continuously improving the supplier management system, strengthening supply chain resilience and endeavoring to build a highly resilient, green and transparent sustainable supply chain ecosystem.

Collaborative Empowerment: Building an Efficient Management Architecture

The Company has established a highly detailed systematic supplier management organizational structure, achieving full-chain management from market demand to final delivery. The Group has formulated strict "Supplier Code of Conduct," embedding labor rights protection (strict prohibition of child labor and forced labour), business ethics (anti-commercial bribery) and environmental protection requirements as mandatory thresholds for supplier admission. The Company has established a supplier ESG scorecard system (Environment 30%/Social 40%/Governance 30%), with suppliers scoring below 60 suspended from cooperation. The Group's Instant Technology Logistics has established a full lifecycle management mechanism covering carrier "introduction-assessment-replacement-blacklist," conducting A/B/C/D four-tier evaluations of carriers based on monthly and annual assessment results, with D-tier carriers directly eliminated. In 2025, we implemented three-dimensional KPI assessments covering on-time delivery rate, cargo damage rate and special expense control for over 200 logistics carriers, with monthly routine assessments combined with quarterly/annual on-site visits, forming a normalized management closed loop. Additionally, the Group has built its own logistics network system platform, with over 200 carriers registered online and connected to real-time vehicle GPS tracking, with the platform managing full truckload utilization rates of ≥90% and supporting flexible door-to-door/door-to-warehouse dispatching to enhance resource utilization.

Comprehensive Measures: Refined Supply Chain Management

Supplier Indicator	2025 Data
Total Suppliers	4830
Of which: Overseas Suppliers	110
Integrity Agreement Signing Rate	100%
Supplier Code of Conduct Signing Rate	100%

Supplier Code of Conduct

To systematically advance sustainable supply chain management, the Group has formulated the Supplier Code of Conduct, which sets out clear requirements and expectations for suppliers in the following areas:

- Business Ethics: Prohibiting bribery, corruption and fraud, requiring suppliers to comply with local laws and regulations;
- Labor Standards: Prohibiting the use of child labor and forced labour, ensuring reasonable working hours and fair remuneration, respecting freedom of association;
- Health and Safety: Providing a safe working environment, establishing occupational health and safety management systems;
- Environmental Protection: Requiring suppliers to establish environmental management systems, reduce waste and emissions, conserve energy and water; the Company further requires suppliers to commit to carbon emission disclosure requirements (including Scope 1-3) and embeds green clauses in contracts covering renewable energy ratios and waste recycling rates;
- Information Security: Requiring suppliers to properly protect the Group's and clients' confidential information and data security.

Supplier ESG Assessment and Audit

The Company has incorporated ESG factors into full lifecycle supplier management:

- Admission Phase: In addition to basic qualification assessment and risk prevention capability evaluation, new dimensions of sustainability potential assessment and integrity compliance assessment have been added;
- Ongoing Monitoring: Regular supplier performance assessments are conducted, comprehensively considering service capability, resource strength, professional competence and ESG performance;
- Corrective Action: Corrective Action Plans (CAP) are initiated for suppliers with identified ESG risks, requiring completion of remediation within specified timeframes;
- Blacklist Mechanism: Suppliers with serious violations are banned, with blacklist information shared with the Trust and Integrity Enterprise Alliance.

Supplier Empowerment and Training

Compared with mere management and punishment, Digital China Holdings (DC Holdings) places greater emphasis on "hematopoietic" empowerment of its supplier ecosystem. The Group makes its accumulated AI toolchain, Warehouse Management System (WMS), and capacity scheduling algorithms available to a wide range of small, medium, and micro logistics carriers and hardware OEMs in the form of SaaS or lightweight APIs, significantly lowering the barrier to digital transformation for these long-tail enterprises. The Company also provides sustainability support to its suppliers through various means.

- Providing detailed operation manuals and business process training for new cooperative suppliers;
- Sharing cutting-edge industry information and technical knowledge with suppliers to enhance innovation capabilities;
- Transmitting environmental protection concepts through the signing of the "Environmental Protection and Occupational Health and Safety Advocacy";
- Requiring key suppliers to obtain ISO 14001 Environmental Management System certification, focusing on their environmental management capabilities.

Working Together: Fulfilling Environmental and Social Responsibilities

We treat labor standards, including the prohibition of child labor and the protection of workers' lawful rights and interests, as important considerations in supplier selection, and require suppliers to provide employees with a safe working environment and necessary safeguards. The Group actively implements a green procurement policy by incorporating green clauses into its contracts, including requirements that the proportion of renewable energy used be no less than 30% and that the waste recycling rate reach no less than 90%. It has also introduced a dedicated "green capability" scoring category, weighted at 30%, covering such factors as product environmental certifications, including RoHS, REACH, and the China Environmental Label, as well as the proportion of energy-saving technologies adopted. For office equipment, priority is given to products certified under ENERGY STAR, while packaging materials consist of biodegradable plastics, including PLA materials, or recycled cartons. Suppliers ranking in the top 10% of ESG assessments may receive an incentive in the form of a 15% increase in order volume. Suppliers that commit to achieving carbon neutrality before 2030 may receive subsidies for audit costs and priority access to technical advisory support.

2.1 Environmental Management System
2.2 Addressing Climate Change
2.3 Lean Green Operations
2.4 Sustainable Solutions

Environmental

2.0 Environmental: Building a Sustainable Digital Service Ecosystem

2.0 Environmental: Building a Sustainable Digital Service Ecosystem

In the face of increasingly severe global climate change challenges and mounting resource and environmental constraints, Digital China Holdings has embedded the concept of green sustainability into its corporate DNA. As a leading technology enterprise driven by data intelligence, the Company's environmental responsibility has been endowed with a dual meaning. First, through refined management and green operations, it seeks to minimize the carbon footprint arising from the expansion of its own business activities to the greatest extent possible. Second, and on a broader level, it aims to harness the multiplier effect of "Data × AI" by exporting algorithmic models for energy conservation and emissions reduction to a wide range of sectors, including logistics, water services, and manufacturing, thereby using technological innovation to curb the extensive growth of carbon emissions and build a green digital service ecosystem. In 2025, the Company made the following important progress in environmental management:

- For the first time, greenhouse gas emissions were broken down and disclosed as Scope 1 (direct emissions) and Scope 2 (indirect emissions) in accordance with the GHG Protocol;
- In accordance with IFRS S2/TCFD framework requirements, established a four-pillar climate disclosure architecture of "Governance — Strategy — Risk Management — Metrics and Targets";
- Expanded the scope of environmental data collection, with multiple additional business units and operational sites included in the statistical boundary.

2.1 Environmental Management System

Digital China Holdings has established an overarching environmental management policy of "compliance as the baseline, prevention as the priority, continuous improvement," integrating environmental protection throughout the entire process of corporate operations and management. In daily operations, the Group strictly complies with the Environmental Protection Law and the Energy Conservation Law of the People's Republic of China and other relevant laws and regulations. The Group's subsidiary has passed GB/T24001-2016 idt ISO 14001:2015 Environmental Management System certification. At technology parks and warehousing hubs nationwide, the Group has established detailed waste disposal, wastewater discharge and energy consumption monitoring standards with reference to the ISO 14001 standard, and will progressively promote ISO 14001 certification for additional core operating entities.

Environmental Policy and Commitments

The Company is committed to strict compliance with the environmental laws and regulations of the jurisdictions in which it operates, and continues to advance green operational practices aimed at energy conservation, consumption reduction, emissions mitigation, and efficiency improvement. During the reporting period, the Group was not involved in any incident resulting in material fines or non-monetary sanctions for violations of environmental laws or regulations, maintaining an excellent record of 100% environmental compliance. The Company is also highly attentive to the sharp increase in energy consumption associated with the expansion of computing capacity, and is actively seeking to offset this trend through green technologies, including the exploration of advanced energy-saving solutions such as liquid cooling technology and the use of natural cooling sources.

Environmental Quantitative Targets

To continuously advance the transition toward green operations, the Group has established 2025 as the base year and set the following environmental management targets:

Target Area	Base Year	Target Year	Target Content	Progress
Carbon Emission Intensity	2025	2030	Carbon emission intensity (tCO2e per million RMB revenue) to decrease by 20% from base year	Baseline established (currently approx. 1.17 tCO2e/million RMB revenue); liquid cooling retrofit reduced PUE from 1.6 to 1.2, 25% energy savings; GEC procurement pathway planned
Energy Efficiency	2025	2030	Per capita energy consumption to decrease by 15% from base year	2025 the Group's logistics park energy target -10%, actual achievement -13.5% (exceeded target); LED lighting + air-con temp control + timed devices fully deployed; DC 800V power supply upgrade in planning
Packaging Reduction	2025	2030	Packaging consumption intensity to continue declining, recycling volume to increase by 20%+ annually	The benchmark has been established; Assisted clients in recycling 58 tons of packaging materials, a year-on-year increase of 6344%; The utilization rate of some warehouse packaging materials has increased to 84%; Annual savings of 34000 rolls of wrapping film
Renewable Energy	2025	2030	Renewable energy to account for 15% of purchased electricity	GEC procurement scheme research initiated; current proportion pending first-time calculation
New Energy Fleet	2025	2030	NEVs to account for 40% of total fleet capacity	2025 urban delivery NEV proportion approx. 50%, incorporated into tender criteria; electric forklift replacement in progress
Environmental Management System	2025	2027	Promote ISO 14001 EMS certification for core operating entities	The Group passed ISO 14001:2015 certification; the qualification certification of core business legal entities is steadily progressing

Environmental Training and Awareness

The Company actively carries out environmental protection publicity and education activities to enhance employees' environmental awareness:

Environmental Training Indicator	2025 Data
Energy Conservation Awareness Training	31 sessions
Environmental Emergency Drills	228 drills
Energy Conservation Education and Training	37 sessions

2.2 Addressing Climate Change

Frequent extreme weather events caused by climate change (physical risks) together with increasingly stringent carbon emission policies (transition risks) are profoundly reshaping the logic of global business. Climate change is one of the most significant environmental challenges facing the world today. In 2025, Digital China Holdings took a historic step in addressing climate change by comprehensively aligning itself with the IFRS S2 and TCFD frameworks, actively responding to the national"dual carbon"goals and the climate-related disclosure requirements of the Hong Kong Stock Exchange, and establishing a four-pillar climate disclosure system covering governance, strategy, risk management, and metrics and targets.

2.2.1 Governance

As the highest decision-making body for the Company's ESG management, the Board of Directors bears oversight responsibility for the identification, assessment, and management of climate-related risks and opportunities. The ESG Steering Committee regularly receives risk assessment reports concerning changes in energy consumption policies and the potential impacts of extreme weather events, such as typhoons and flooding, on the Group's nationwide warehousing and logistics network, and incorporates such matters into the Group's highest-level enterprise risk map. The specific allocation of responsibilities is as follows:

- The Board's Audit Committee is responsible for periodically reviewing climate-related strategies and target achievement progress;
- The ESG Steering Committee is responsible for formulating climate-related work plans and supervising their execution;
- Departmental ESG representatives are responsible for collecting climate-related data and implementing emission reduction measures.

2.2.2 Strategy

Based on its own business characteristics and industry profile, the Company has systematically identified the risks and opportunities arising from climate change. To address the risk of physical disruption to logistics and transportation, the Group has established dynamic route disaster recovery plans through its AI control tower to ensure continuity in the fulfillment of both emergency relief supplies and commercial orders under extreme weather conditions. The principal climate-related risks and corresponding response measures are as follows:

Risk Type	Risk Description	Impact on the Company	Response Measures
Transition Risk - Policy	Tightening carbon policies, higher efficiency standards	Increased operating costs	Track policy developments, proactive compliance
Transition Risk - Technology	Accelerated low-carbon tech iteration	Increased tech investment pressure	Increase green computing R&D
Transition Risk - Market	Increased client carbon footprint requirements	Products/services require upgrade	Develop supply chain carbon tracking
Physical Risk - Extreme Weather	Increased typhoons, flooding	Warehousing/logistics facility damage	Emergency response, diversified warehouse layout
Physical Risk - Temperature Rise	Temperature rise increasing cooling consumption	Increased computing center costs	Explore liquid/natural cooling technologies

2.2.3 Risk Management

The Company has incorporated climate-related risks into its overall risk management framework and identifies, assesses, and responds to them through its established "three lines of defense" mechanism. Among the 109 risks already identified by the Company, those directly related to climate change have been subject to corresponding prevention and control measures in accordance with their respective risk levels. In 2025, the Group designated "extreme physical risks arising from climate change" as one of its annual high-priority risks for control and management, and formulated targeted emergency response plans and business continuity plans (BCPs) accordingly. The Company has also integrated climate risk assessment into its supplier admission evaluation system, requiring key suppliers to disclose their carbon emissions management practices.

2.2.4 Metrics and Targets

Greenhouse Gas Emissions

The Group's principal greenhouse gas emission sources are direct emissions from the use of fossil fuels (Scope 1) and indirect emissions from purchased electricity (Scope 2). To provide more authoritative and comparable carbon emission data, in 2025 the Company rigorously broke down greenhouse gas emissions into Scope 1 and Scope 2 in accordance with the GHG Protocol for separate disclosure. This initiative not only addresses the core concerns of international rating agencies (such as S&P Global CSA and MSCI), but also lays a solid data foundation for the future formulation of science-based targets (SBTi).

Indicator	Unit	2025	2024	YoY Change	Description
Scope 1 (Direct Emissions)	tCO2e	267.26	541.58	-50.7%	Gasoline + diesel + natural gas combustion
- Of which: Gasoline	tCO2e	26.53	25.35	+4.7%	Conversion factor: 0.002216 tCO2/L
- Of which: Diesel	tCO2e	0.0027	0.0027	+0%	Conversion factor: 0.002663 tCO2/L
- Of which: Natural gas	tCO2e	240.72	516.23	-53.4%	Conversion factor: 0.002188 tCO2/m^3
Scope 2 (Indirect Emissions)	tCO2e	7,541	6,295	+19.8%	Purchased electricity emissions Conversion factor: 0.5777 tCO2/MWh
- Total GHG Emissions	tCO2e	7,809	6,837	+14.2%	
- Per Capita GHG Emissions	tCO2e/person	0.36	0.35	+0.3%	Total employees: 21,936

Note :

1. The statistical scope for 2025 data has been expanded compared to the previous year, with the inclusion of multiple business departments and operational sites. The year-on-year change in absolute values is affected by adjustments to the statistical boundaries. Scope II emissions are calculated using the 2024 national average carbon dioxide emission factor for electricity released by China's Ministry of Ecology and Environment (0.5777 tCO2/MWh).
2. During this reporting period, the Group's total greenhouse gas emissions increased compared with the same period of the previous year. This was primarily due to the optimization and refinement of the GHG emissions data statistical methodology, which expanded the accounting boundary to include additional business scenarios and operational sites, incorporating previously excluded business units and power consumption scenarios. As a result, the data has become more complete and accurate, truly reflecting the Group's overall emissions profile.Meanwhile, the Group's workforce grew by 13.8% year-on-year during the period, leading to a corresponding increase in electricity demand for office operations and data centers, which in turn drove a year-on-year increase in Scope 2 indirect emissions and had an objective impact on the total emissions indicator. Notably, despite the expanded statistical boundary, GHG emissions per capita remained largely flat, while Scope 1 direct emissions saw a significant decrease (down 50.7% year-on-year), demonstrating the Company's notable achievements in controlling fossil fuel consumption.The aforementioned changes are not attributable to a decline in operational efficiency or lax carbon management, but rather to the combined effect of the expanded statistical scope and business growth. The Group has strictly disclosed its Scope 1 and Scope 2 emissions data in accordance with the GHG Protocol standards, laying a solid data foundation for future Science Based Targets initiative (SBTi) commitments. The Group will continue to promote energy conservation and emission reduction measures, optimize its energy mix, increase the proportion of renewable energy used, and remain committed to reducing carbon intensity per unit of output, thereby advancing its green and low-carbon transition.

2.3 Lean Green Operations

Across its six major technology parks nationwide and major logistics bases, Digital China Holdings has implemented comprehensive energy-saving initiatives. In its day-to-day operations, the Company consistently upholds the principles of energy conservation, reduced consumption, and green, low-carbon development, and continues to improve resource-use efficiency through refined management and technological innovation. By directly linking energy consumption indicators to the annual performance evaluation of park management, the Company has established a long-term, self-driven mechanism for energy conservation and consumption reduction.

2.3.1 Reducing Consumption and Enhancing Efficiency

The Company has implemented systematic energy conservation and consumption reduction initiatives across its six major technology parks and logistics bases nationwide. With respect to the technology parks, the Group has established a sound energy management mechanism and conducts year-round monitoring of electricity and water consumption, with an investigation procedure being immediately initiated whenever abnormal month-on-month energy consumption growth exceeds 10%. With respect to the logistics parks, a management target was set of achieving a year-on-year reduction of 10% in water and electricity consumption, while the actual reduction achieved in 2025 reached 13.5%, thereby exceeding the target. The principal energy-saving measures adopted by the Company include:

- Intensifying equipment upgrades, phasing out high energy-consuming equipment, and promoting advanced technologies such as variable frequency equipment;
- Major office buildings and warehouses adopt new low-power LED energy-saving lighting, with automated lighting control systems in underground car parks; lighting, water heaters and air conditioning all use timed devices, with safety and energy conservation patrols every evening; air conditioning is strictly managed — in summer, units may only be activated when indoor temperature reaches ≥30°C with settings no lower than 26°C; in winter, activation is permitted only when indoor temperature drops to ≤8°C with settings no higher than 20°C;
- Establishing energy conservation performance assessment mechanisms, incorporating energy consumption indicators into departmental annual evaluations;
- Comprehensive implementation of paperless operations: all internal approvals, document circulation, meeting minutes and file management are completed through the enterprise OA system or collaborative office platform, with paper document printing in principle eliminated; electronic invoice paperless reimbursement has been promoted, and in-warehouse picking uses handheld PDAs instead of traditional paper pick lists, with an estimated annual saving of over 100,000 sheets of A4 paper.

Energy Indicator	Unit	2025	2024	YoY Change
Gasoline Consumption	Liters	11,972	11,438	+4.7%
Diesel Consumption	Liters	1	1	+0%
Natural Gas Consumption	Cubic meters	110.020	235,939	-53.4%
Purchased Electricity	MWh	13,054	11,732	+11.3%
Steam Consumption	Tons	115	120	-4.2%

2.3.2 Water Conservation

The Company has established a systematic water resource management mechanism through measures such as differentiated water supply and water recycling. Property engineering personnel under the Technology Real Estate Department of the Asset Operation Headquarters conduct daily visual inspections of all water-use points within the parks, including faucets, valves, pipe joints, and sanitary fixtures, and any problems such as dripping or leakage identified are reported for repair on the same day. Water consumption data is reviewed on a regular basis, and where any abnormal increase is detected, an investigation procedure is promptly initiated. Landscape irrigation is scheduled to avoid high-temperature periods, adopts zoned rotational watering, and is suspended after rainfall so as to make full use of natural precipitation. Water-saving reminder signs are posted at locations such as washbasins and tea rooms, and cleaning personnel are required to use buckets to collect water rather than flushing directly from taps. The Group's water supply is sourced from the municipal tap water system, and it does not face any material difficulty in accessing water resources.

During this reporting period, the Group's total water consumption and water consumption per capita increased compared with the same period of the previous year. This was primarily due to the optimization and refinement of the water usage data statistical methodology during the period, under which water consumption from facilities and supporting utilities previously excluded from the statistical scope was fully incorporated into the accounting. As a result, the data has become more complete and accurate, truly reflecting the Group's overall water usage. Meanwhile, the Group's workforce grew by 13.8% year-on-year during the period, leading to a corresponding increase in daily water demand for office operations and logistics support services, which also had an objective impact on the water consumption indicators. The aforementioned changes are not attributable to a decline in operational efficiency or lax water management, but rather to the combined effect of the expanded statistical scope and workforce growth. The Group continues to implement water conservation management measures, optimize water use facilities and processes, strictly control water intensity per unit of output, and remains committed to improving resource utilization efficiency.

Water Indicator	Unit	2025	2024	YoY Change
Total Water Consumption	Tons	118,809	93,802	+26.7%
Per Capita Water Consumption	Tons/person	5.42	4.87	+11.3%

2.3.3 Emissions and Waste

The Group implements highly stringent classified tracking and management of the waste it generates, and has established a standardized system for the classified collection and disposal of waste:

- For domestic waste and non-hazardous office waste, municipal sanitation departments and resource recycling enterprises are commissioned for classified recycling, maximizing the circular reuse of resources;
- For hazardous waste including used batteries, discarded toner cartridges and decommissioned server hardware, all are handed over to professionally qualified hazardous waste treatment institutions for harmless processing;
- An office consumables "trade-in" program is implemented in cooperation with suppliers.

Waste Indicator	Unit	2025	2024	YoY Change
Total Hazardous Waste	Tons	9.57	7.46	+28.2%
Total Non-hazardous Waste	Tons	6,087	5,028	+21.1%
Per Capita Non-hazardous Waste	Tons/person	0.28	0.26	+6.4%

2.3.4 Recycling and Circular Economy

The Company actively promotes the reduction and recycling of packaging materials, while also striving to build integrated reverse logistics capabilities. The Group has entered into a strategic cooperation agreement with YTO Express to explore comprehensive reverse logistics solutions for the footwear and apparel industry, while simultaneously connecting the return logistics chain for state-subsidized products, thereby forming an integrated logistics capability covering both forward and reverse flows and advancing the deeper development of the circular economy :

Packaging Material Indicator	Unit	2025	2024	YoY Change
Packaging Materials Consumed	Tons	18,129	16,197	+12%
Packaging Recycled for Clients	Tons	58	0.9	+6344%

In 2025, the Company's shipment volume exceeded 100 million orders, representing a year-on-year increase of 40%, while the consumption of packaging materials increased by only 11.92%. This was attributable to cost reduction and efficiency enhancement measures, as well as the application of AI-based visual recognition and intelligent recommendation algorithms, which enable the system to match each product, regardless of its shape, with the most compact and least material-intensive environmentally friendly packaging within milliseconds, thereby relatively reducing packaging material usage. At the same time, by leveraging its nationwide reverse logistics network, the Group assisted key brand customers in increasing the volume of packaging recycled from 0.9 tonnes in the previous year to 58 tonnes, achieving a significant transition from one-way consumption to a circular economy model.

2.4 Sustainable Solutions

This section constitutes the most transformative and competitively distinctive pillar of DC Holdings' environmental strategy. Digital transformation is not only an important means of improving corporate operational efficiency, but also a critical force in advancing green and sustainable development. We do not confine ourselves to optimizing our own operations alone; rather, we seek to extend the benefits of our algorithmic capabilities more broadly across society.

2.4.1 Integrated Sustainable Supply Chain

Green Warehousing

The Group has comprehensively promoted the KingKooData supply chain big data management system. Leveraging over 20 years of accumulated experience in operating more than 160 warehouses, practical expertise across business coverage in over 300 cities, and the technical capacity to process 5 million orders per day, ITL has achieved full deployment of high-definition "sky-eye" monitoring with no blind spots across all warehouses, end-to-end operations in warehouse management nationwide. With respect to micro-innovation in warehousing, the Company has applied the Omni-Eye intelligent inventory system, automated sorting walls, and automatic packing machines in the warehouses of key clients such as Procter & Gamble. Through an equipment subsidy mechanism, these technologies have been further promoted, thereby advancing refined warehouse management and reducing labor costs. By introducing intelligent temperature control systems and variable-frequency conveyor belt technology, and by phasing out outdated, high-energy-consuming motor equipment, the energy efficiency of warehouse operations has continued to improve. In the Schneider project, a 7×24-hour fully online and paperless operating process has been achieved, while mobile integrated identity-and-signature terminals have enabled paperless sign-off procedures.

Green Packaging

The Company has implemented an extreme packaging reduction design approach and expanded the use of recyclable materials. Leveraging AI-based visual recognition and intelligent recommendation algorithms, the system is able to match each product with the most compact and least material-intensive environmentally friendly packaging solution. In 2025, the volume of packaging recovered with the Company's assistance reached 58 tonnes. The procurement volume of filling materials fell by 70% year on year, and adhesive tape was redesigned to be both thinner and narrower. The cumulative number of pallets exceeded 70,000, of which 70% were used under a shared leasing model. For special product categories, such as new retail and instant retail products, the Company cooperated with customers to increase the use of reusable packaging boxes, with cumulative usage reaching 36,000 units. Recyclable materials accounted for 72% of packaging materials used nationwide, while packaging material consumption per order fell by 5%. With respect to the reuse of packaging materials, the reuse rate at Chengdu Shuangliu Warehouse A increased from 0.002% to 32%, while that at Zhengzhou Economic Development Zone Warehouse B rose sharply from 1.54% to 84%. Under the Schneider project, the de-plasticization initiative is expected to save 34,000 rolls of stretch film annually.

Green Transportation

Logistics and transportation are major sources of carbon emissions in modern supply chains. Relying on its "supply chain control tower," which deeply integrates AI algorithms, the Company has launched a direct effort to tackle high-carbon-emission operations. During the 2025 "Double 11" promotion period, ITL introduced for the first time its enterprise-level supply chain intelligent agent cluster, "Xiao Jin," achieving AI enablement across the entire process from order intake to outbound handover. The peak order-processing capacity of the Jinku system increased by 280% year on year on a per-second basis. "Xiao Jin" forecast an order volume of 22.21 million orders against an actual volume of 21.33 million, achieving an accuracy rate of 96%. Average collection and dispatch lead time was shortened by 1.4 hours, while the 24-hour outbound rate increased by 2.6 percentage points. "Xiao Jin" issued more than 300 alerts per day and automatically broadcast the operating status of each warehouse every hour. These significant efficiency gains directly translated into substantial reductions in fuel consumption and exhaust emissions, while saving customers approximately 8% in transportation and distribution costs. With respect to green transport capacity, bidding documents in 2025 formally incorporated requirements regarding the proportion of new energy vehicles: approximately 50% of urban distribution vehicles were required to be new energy vehicles, while the estimated average proportion across the nationwide network was 25% to 30%. The Company has also gradually promoted the replacement of fuel-powered forklifts with electric forklifts, and has used a one-stop delivery model to reduce carbon emissions arising from cargo transshipment. In travel management, for destinations within 800 to 1,200 kilometers, the Company encourages the substitution of high-speed rail for air travel. Carbon dioxide emissions from high-speed rail are only about 4 kilograms per 1,000 passenger-kilometers, less than one quarter of those from air transport.

The Group leverages digital-intelligent technologies as its core to develop efficient, green, and lean integrated sustainable supply chain solutions. Through innovations such as supply chain control towers, intelligent scheduling, process optimization, and automated equipment, it enables customers to reduce costs, improve efficiency, achieve low-carbon operations, and realize high-quality development. In doing so, the Group embeds the principles of sustainability throughout the entire supply chain.

[Case Study 1: Hsu Fu Chi Supply Chain Control Tower System]

To address challenges in the food industry—such as complex supply chains, high dispatching pressure, and stringent timeliness requirements—the group customized and deployed a Supply Chain Control Tower system for a leading food enterprise. The solution enables full-process visualized management of in-plant transportation, external logistics, and warehousing operations.

In the first phase, the project successfully integrated 12 business systems and established 143 functional modules, supporting collaboration among more than 60 operational roles and over 1,000 personnel. Through real-time monitoring, anomaly alerts, intelligent scheduling, and data dashboard management, the system significantly enhanced lean logistics operations.

Following implementation, shipment efficiency increased by 30%, on-site logistics efficiency improved by over 10%, and warehouse operational efficiency rose by 5%. Paper consumption for operational materials decreased by 65%, and 53 process nodes were optimized. These improvements substantially reduced resource consumption and operating costs, supporting the client's digital-intelligent and green supply chain transformation. In recognition of its outstanding performance, the group received the client's 2025 Innovation Award for this project.

[Case Study 2: Large-Scale Application of Micro-Innovative Warehouse Equipment — Driving Efficiency and Low-Carbon Operations]

The group Logistics has continuously promoted micro-innovations and automation upgrades in warehouse operations. Automated equipment has been introduced across key processes—including plastic sealing, bag sealing, packing, weighing and sorting, put-wall sorting, and distribution—to replace manual labor, enhance operational efficiency, and reduce energy and material consumption. The efficiency of automatic plastic sealing machines increased from 50 units per hour manually to 250 units per hour. Automatic bag sealing machines improved productivity from 80 to 200 units per hour. DWS automated sorting equipment achieved six times the efficiency of manual operations, with accuracy rising to 99.99%. Optical put-wall systems improved efficiency by 2.5 times and significantly reduced misrouting errors. Automated carton sealing, packing and labeling, automatic waybill peeling, and BTB sorting machines have been widely implemented. Through these advancements, overall warehouse efficiency increased by more than 10%, workforce allocation was further optimized, and error rates continued to decline. While enhancing operational efficiency and service quality, these initiatives establish a low-carbon, resource-efficient, and sustainable model for warehouse operations.





2.4.2 Data-Intelligent Solutions

The Group deeply applies core technologies—including data intelligence, AI-powered early warning, and digital twins—to ecological protection, water resource management, and environmental sustainability. Through technological innovation, it empowers the modernization of ecological governance and the transition toward green and low-carbon development. In 2025, the Yanyun Infinity platform achieved significant capability upgrades, introducing multimodal data processing capabilities (text, images, audio, and video). Its Data Agent enables natural language-driven data insights, while Agentic AI autonomously plans multi-step data processing tasks, substantially lowering the barriers to enterprise-level data intelligence. In the fields of ecological water systems and smart water conservancy, the Group leverages Yanyun's core technologies and the integrated "computing power, data, and algorithms" capabilities to build full-lifecycle smart water conservancy solutions, facilitating efficient water resource utilization, intelligent water security risk prevention, and high-quality ecological and environmental protection.

[Case Study 1: Safety Monitoring System for Large and Medium-Sized Reservoir Dams in Jilin Province — Digital Twins Empowering the Intelligent Upgrade of Water Security "Four Forecasts"]

In January 2025, the safety monitoring system for large and medium-sized reservoir dams in Jilin Province, undertaken by a subsidiary of Digital China Holdings, successfully passed acceptance and was delivered. The project covers 94 large and medium-sized reservoirs and a provincial central monitoring station across Jilin Province. It included hardware and software upgrades, the construction of communication systems, and the development of an informatization pilot project for Shahe Reservoir, establishing an integrated smart water conservancy platform encompassing computing power, data, and algorithms.

At the computing power level, the project modernized infrastructure and equipment. At the data level, it enhanced comprehensive datasets, including foundational monitoring data, geospatial information, and three-dimensional real-scene models. At the algorithm level, it established flood forecasting systems, engineering safety monitoring models, and visualization simulation tools. These capabilities enable high-fidelity simulations of flood evolution, reservoir water level changes, and inundation scenarios, along with millisecond-level risk alerts. The system significantly strengthens the reservoir flood control capabilities of "forecasting, early warning, simulation, and contingency planning," reinforcing regional water security and ecological flood protection through digital-intelligent technologies.



[Case Study 2: Hubei Smart Jianghan Platform Project — Yanyun's Non-Intrusive Data Integration Empowering Efficient Collaboration in Smart Water Conservancy]

In July 2025, a subsidiary of Digital China Holdings successfully won the bid for the data integration project of the Smart Jianghan Platform under the Hubei Provincial Department of Water Resources. Leveraging the core Yanyun DaaS technology—recipient of the First Prize of the National Technological Invention Award—the project adopted a "non-intrusive" data integration approach. Without requiring cooperation from original system developers or access to underlying databases, it rapidly connected heterogeneous systems and aggregated data efficiently.

The platform successfully integrated 19 business systems, including flood disaster "Four Forecasts," water resource monitoring, river and lake chief management, and hydrological and rainfall monitoring. It has consolidated tens of millions of data records, effectively breaking down data silos within the water conservancy sector. By enabling efficient data integration, sharing, and intelligent application, the project provides robust technological support for refined water resource management, ecological regulation, and smart water conservancy development in Hubei—known as the "Province of a Thousand Lakes." It also serves as a nationally replicable benchmark for the digital-intelligent transformation of the water conservancy industry.



2.4.3 Technology Empowering Inclusive Finance: Advancing Financial Equity Through Digital-Intelligent Services

Leveraging its core capabilities in fintech and data intelligence, the Group focuses on key areas such as small and microenterprise finance, inclusive rural finance, and rural revitalization. By utilizing AI, big data, and blockchain technologies, it addresses critical challenges in inclusive finance—such as information asymmetry, complex risk control, and limited service accessibility. The Group has established comprehensive, digital-intelligent inclusive finance solutions covering all scenarios and processes, promoting the accessibility, quality, and efficiency of financial services. Through technological innovation, it advances equitable access to financial resources and contributes to social equity and common prosperity.

The Company has strategically expanded into inclusive finance scenarios including retail finance, small and microenterprise finance, and rural finance, building a four-dimensional integrated service framework of "Data + Risk Control + Products + Scenarios." Through innovations such as multimodal data analytics, intelligent risk modeling, agile online approvals, and the digitalization of biological assets, it provides convenient, efficient, and cost-effective fintech services for farmers, sole proprietors, and small and micro enterprises. These solutions enhance financial institutions' service coverage and risk management capabilities in inclusive finance.

In the fields of rural inclusive finance and rural revitalization, the Group integrates multi-source data from agricultural government services, production processes, and circulation channels. By applying technologies such as satellite remote sensing, the Internet of Things (IoT), and AI-based recognition, it has established a financial empowerment system spanning the entire agricultural value chain. Through models such as direct bank–farmer connectivity, village-wide credit granting, financialization of rural property rights, and collateralization of biological assets, land-use rights, forestry rights, and biological assets—including livestock and fruits and vegetables—are transformed into bankable and pledgeable credit assets. These initiatives effectively address financing difficulties and high borrowing costs faced by farmers and new agricultural business entities. Blockchain technology ensures trusted data authentication and immutability in rural property rights transactions, facilitating the orderly circulation of rural assets and empowering agriculture through finance, thereby promoting agricultural productivity, increasing farmers' incomes, and advancing rural development.

In the field of small and microenterprise finance, the Group has introduced an intelligent integrated credit system powered by large AI models and multimodal analytics. Addressing challenges such as non-standard financial records, fragmented data, and complex risk assessment, the system accurately identifies and quantitatively models weakly structured information—such as handwritten ledgers and non-standard transaction records. This significantly improves credit approval efficiency and risk identification accuracy, enabling small and medium-sized financial institutions to deliver targeted financial support to small and micro enterprises and contribute to the steady development of the real economy.

Looking ahead, the Group will continue to leverage digital-intelligent technologies as a catalyst to deepen innovation in inclusive finance scenarios. By expanding service coverage and enhancing service quality and efficiency, it aims to promote financial equity through technology and contribute to rural revitalization, the growth of small and micro enterprises, and the realization of common prosperity.

3.1 Compliant Employment

3.2 Employee Development

3.3 Employee Care

3.4 Community Building

Social

3.0 Social: Painting a Harmonious Society with Warmth

3.0 Social: Painting a Harmonious Society with Warmth

In pursuing technological excellence and commercial growth, DC Holdings has consistently upheld the fundamental principle of "people-oriented development and technology for good." The Group firmly believes that truly great technology should not only generate excess returns in the capital markets, but should also serve as an inclusive instrument for narrowing social divides and enhancing human well-being. From safeguarding the lawful rights and interests of every employee to unlocking their creative potential, from leveraging AI technology to transform grassroots governance to extending support for rural education, the Company is committed to building a compliant, fair, diverse, and inclusive working environment, improving its employee training and development system, protecting employee health and safety, and actively giving back to society, thereby using the rationality of data to shape a social vision marked by warmth and shared prosperity.

3.1 Compliant Employment

3.1.1 Standardized Employment Management

In its global recruitment and employment practices, the Group strictly complies with domestic laws and regulations, including the Labour Law of the People's Republic of China, as well as the principles embodied in the core conventions of the International Labour Organization (ILO). It has formulated and continuously refined such policies as the Recruitment Management Policy and the Labour Contract Management Policy, thereby establishing a comprehensive employment compliance management system. Through a rigorous onboarding process incorporating HRBP review and multiple layers of system verification, the Group firmly prevents any form of child labour or forced labour. It also publicly undertakes that there shall be no discrimination in recruitment, hiring, compensation and benefits, or promotion on the basis of gender, age, ethnicity, religious belief, or physical condition.

- Eliminate all forms of forced labor and employment discrimination, respect employees' freedom of association and collective bargaining rights;
- Enter into labor contracts with employees in accordance with law, pay social insurance and housing provident fund contributions as required;
- Explicitly prohibit the use of child labor, with onboarding processes subject to multiple verification procedures by HRBP, employee relations and other functions.

Human Rights Policy Statement

Digital China Holdings is committed to respecting and protecting internationally recognized fundamental human rights, including, but not limited to, the principles and standards established under the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the core conventions of the International Labour Organization. This Statement applies to all operating entities of the Group, all employees, and all supply chain partners.

The Company commits to:

- Prohibiting the use of forced labor, debt bondage, human trafficking or any form of modern slavery in any operational segment and supply chain;
- Prohibiting the use of child labor, ensuring all employees meet local legal age requirements;
- Respecting employees' freedom of association and collective bargaining rights;
- Ensuring workplaces are free from discrimination and harassment, providing fair and equal employment opportunities;
- Respecting the rights of local communities and indigenous peoples, avoiding human rights infringements in operations.

Human Rights Due Diligence

The Company has established a human rights due diligence mechanism to regularly identify and assess human rights risks in its operations and supply chain. The due diligence process covers:

- Risk Identification: Identifying potential human rights risks through employee interviews, supplier reviews, complaint channels, etc.;
- Impact Assessment: Assessing the severity and likelihood of identified risks, determining priority matters;
- Prevention and Correction: Formulating and implementing preventive measures and corrective plans to eliminate or mitigate human rights risks;
- Monitoring and Review: Regularly reviewing and evaluating the effectiveness of human rights management measures for continuous improvement.

Working Hours Management

The Company strictly complies with the provisions of the Labour Law of the People's Republic of China concerning working hours, rest, and leave, and implements the standard working hour system under which employees work no more than 8 hours per day and no more than 40 hours per week. Where overtime is genuinely required due to business needs, the Company strictly enforces an overtime approval system to ensure that monthly overtime hours do not exceed the statutory limit, and that overtime pay is provided or compensatory leave is arranged in accordance with the law.

Fair Remuneration Commitment

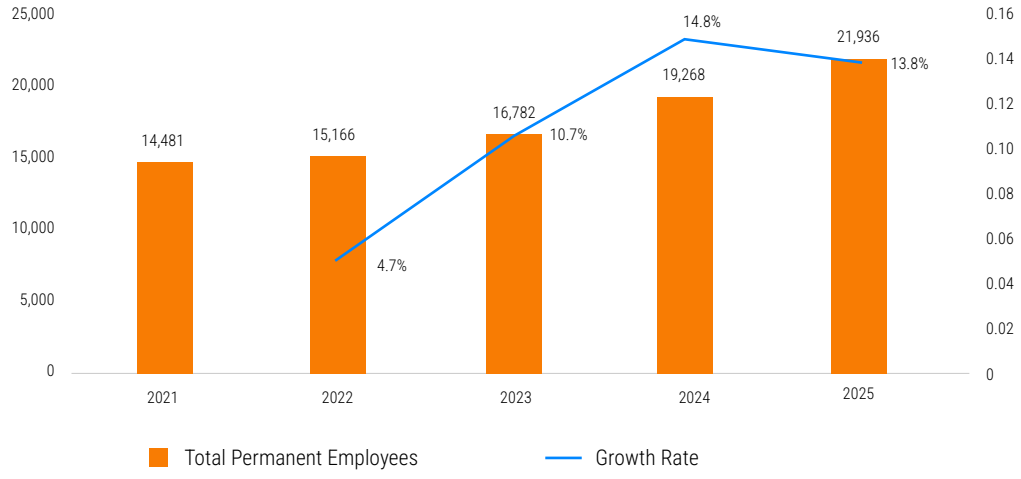
The Company undertakes that the remuneration of all employees shall not be lower than the statutory minimum wage standard applicable in the place of operation. It has also established a market-competitive broad-band compensation system together with a highly attractive restricted share incentive scheme, thereby closely aligning employees' personal wealth growth with the Company's long-term market capitalization development. The Company regularly adjusts its remuneration structure in light of prevailing market salary levels and job value, so as to ensure that employees receive fair and reasonable compensation for their labour.

Current Employee Profile

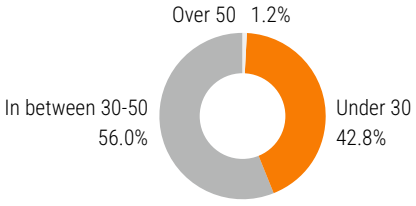
The Group strictly complies with relevant laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. Upholding the principles of equal employment and standardized labor practices, it has built a dynamic and well-structured workforce. As of the end of 2025, the Group employed a total of 21,936 full-time employees, representing an increase of 13.85% compared with 2024, reflecting steady and sustained growth in its talent pool.

In terms of age structure, the Company's workforce continues to demonstrate a clear trend toward rejuvenation. In 2025, the number of employees under the age of 30 reached 9,399, accounting for 42.8% of total full-time employees. Core employees aged 30–49 accounted for 56.0%, while senior employees aged 50 and above represented 1.2%, forming a well-balanced talent pipeline characterized by young professionals as the mainstay, mid-career experts as the backbone, and senior specialists as leaders. The continuous rise in the proportion of young employees underscores the Company's strong ability to attract and cultivate emerging talent, injecting sustained innovation and vitality into the implementation of the Group's "Data × AI" strategy and its long-term sustainable development.

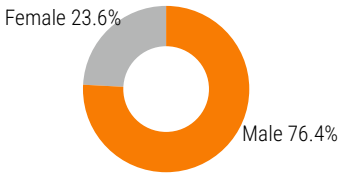
Number of full-time employees in the past five years



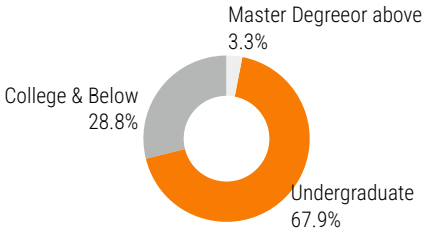
Employee Composition - By Age



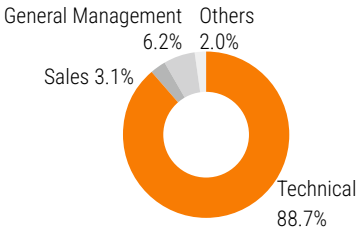
Employee Composition - By Gender



Employee Composition - By Education



Employee Composition - By Profession



Employee Indicator	2025	2024	YoY Change
Total Permanent Employees	21,936	19,268	+13.8%
- Male proportion	76.4%	75.3%	+1.1%
- Female proportion	23.6%	24.7%	-1.1%
- Under 30	42.8%	45.4%	-2.5%
- 30-49 years	56.0%	53.6%	+2.4%
- 50+ years	1.2%	1.1%	+0.1%
Education			
- College Diploma and Below	28.8%	31.1%	-2.3%
- Bachelor's Degree	67.9%	65.0%	+2.9%
- Master's Degree and Above	3.3%	3.9%	-0.6%
- Bachelor's Degree and Above	71.2%	68.9%	+2.3%
Category			
- Technical Personnel	88.7%	87.2%	+1.5%
- Sales Personnel	3.1%	3.8%	-0.7%
- Finance/Administrative/Management Personnel	6.2%	6.5%	-0.3%
- Other Service Personnel	2.0%	2.5%	-0.5%

3.1.2 Promoting Diversity and Inclusion

Digital China Holdings actively promotes a culture of diversity and inclusion, striving to build a global corporate ecosystem characterized by openness, mutual respect, and harmonious coexistence. The Company ensures fair treatment for every employee in recruitment, training, promotion, transfer, compensation, incentives, and benefits. Career development opportunities are not influenced by factors such as age, gender, physical condition, marital status, family background, race, color, or nationality. In 2025, the Group maintained a large and highly qualified workforce of 21,936 employees, including 101 persons with disabilities. Female employees accounted for 24% of the workforce, while women represented 20% of the Board of Directors. The Group is committed to providing every dedicated professional with a fair, inclusive, and opportunity-rich career platform.

The Group ensures equal opportunities for all employees through a comprehensive and inclusive talent management framework. Recruitment practices incorporate blind screening and bias mitigation, supported by diversified hiring channels that prioritize skills and experience. Promotion processes are transparent and free from discrimination based on gender, race, or religion. An inclusive talent development system provides equal access to training, job rotation, and mentorship programs for employees of diverse backgrounds, without hidden barriers. Inclusive employee benefits include parental leave, nursing rooms, parental care leave for only-child families, flexible working arrangements, and mental health support. The Company also continues to enhance its onboarding programs through buddy systems and cross-departmental partnerships to reduce feelings of isolation among new hires and strengthen overall organizational cohesion.

In addition, the Group has established data monitoring and continuous improvement mechanisms to support diversity and inclusion initiatives. Through diversified data dashboards, it tracks key indicators such as gender balance, age structure, leadership composition, turnover rates, and promotion rates, providing data-driven insights to advance the development of a diverse and inclusive corporate culture.

3.1.3 Protecting Health and Safety

The Group has consistently placed the life safety and physical health of its employees above all other business considerations. Companies under Digital China Holdings have obtained ISO 45001 Occupational Health and Safety Management System certification. Major business lines and core subsidiaries nationwide, including The group Logistics, strictly implement occupational health and safety management systems. The group has formulated detailed management policies, including the The group Logistics Safety Management Manual and the The group Logistics Emergency Response Plan for Production Safety Accidents, and requires frontline employees to hold the necessary certifications before assuming their posts. Owing to its exceptionally stringent preventive management, the Group has maintained for many consecutive years an outstanding safety record of zero work-related fatalities and zero material health and safety litigation cases.

Health and Safety Indicator	2025	2024
Work-related Fatalities	0	0
Number of Work Injuries	16 persons	28 persons
Lost Workdays Due to Injuries	97 days	958 days
Health and safety related litigation	0 case	0 case

The Company has established a comprehensive and integrated assurance system encompassing workplace safety, fire safety, and occupational health. Through routine safety management, specialized training, and emergency drills, it continuously strengthens safeguards for employee health and safety, fostering a secure, reliable, and stable working environment.

[Case Study: Company-Wide Fire Drill Strengthening Safety Protection]

To enhance fire safety awareness and improve emergency response capabilities, the Company organized a company-wide fire drill in December 2025 at the Digital Technology Plaza. The drill combined simulated real-fire scenarios, hands-on emergency response procedures, and interactive learning activities. It comprehensively simulated the entire emergency response process, including fire alerts, on-site inspections, initial firefighting, emergency evacuation, elevator grounding, fire shutter linkage, and response by the on-site micro fire station. Members of the micro fire station arrived within three minutes to handle the incident, while all employees evacuated along designated routes in an orderly manner, effectively testing the scientific robustness of emergency plans and the practical capabilities of the response teams.

Interactive activities were also arranged, including fire extinguisher operation, fire hydrant connection, escape chamber simulations, fire engine demonstrations, and fire safety knowledge quizzes. Through immersive participation, employees mastered essential skills such as the proper use of fire extinguishers—"Pull, Aim, Squeeze, and Sweep"—as well as low-profile evacuation techniques. These activities further strengthened employees' fire prevention awareness and self- and mutual-rescue capabilities. The drill received professional support from the Xierqi Fire and Rescue Station of the Haidian District Fire and Rescue Detachment and was conducted in an orderly and standardized manner with broad employee participation. It effectively translated safety awareness into practical capabilities, reinforcing the foundation for safe operations and sustainable development.

The Company continues to institutionalize health and safety management by conducting regular inspections of fire protection systems, electrical safety, and office environments, while enhancing emergency supplies and updating contingency plans. Through these ongoing efforts, it safeguards employee health and safety and fulfills its ESG-related social responsibilities.









3.1.4 Open Communication Channels

Smooth communication channels are fundamental to fostering a harmonious workplace and safeguarding employee rights and interests. Digital China Holdings upholds an "open and transparent" communication philosophy, advocating equal and open dialogue between management and employees. The Company is committed to cultivating a positive, inclusive, and candid communication environment. To this end, it has established efficient communication channels and continuously optimized management mechanisms. Employees may convey their opinions and suggestions regarding job satisfaction, compensation and benefits, labor protection, and psychological well-being to their direct supervisors, the Human Resources Department, and management through direct communication, employee assemblies, and forums.

- HRBP Communication: Since 2022, the Company has established HR Business Partner (HRBP) positions embedded within business units. In addition to providing professional support for departmental management, HRBPs are responsible for collecting employee feedback and suggestions, ensuring timely communication and improvement.
- Employee Assemblies: The Company introduced an employee assembly mechanism in 2019 and convenes it annually. Employees may raise questions to management through both online and offline channels, ensuring equal and open opportunities for dialogue.
- Forums and Symposiums: The Company organizes forums for core management personnel and professional teams on a periodic basis, providing participants with a platform to openly share insights, report achievements, and discuss challenges within their respective fields.

[Case Study 1: Quarterly and Annual Review Meetings of the Intelligent Supply Chain Group — Aligning Goals Through Closed-Loop Communication]

In 2025, the Intelligent Supply Chain Group of Digital China Holdings regularly convened semi-annual review meetings, regional debriefings, and Q4 employee assemblies. Utilizing a hybrid "headquarters + regional" online-offline model, these meetings engaged all management personnel and key business contributors. The sessions reviewed operating performance, addressed frontline challenges, clarified improvement initiatives, and recognized outstanding employees. This approach ensured that "issues are openly discussed, suggestions are raised on the spot, decisions are made promptly, and tasks are executed with closed-loop follow-up," enabling alignment between management decisions and frontline execution while establishing an efficient and transparent communication mechanism.





[Case Study 2: Digital China Holdings Annual Leadership Conference — Strategic Alignment and Consensus Building]

In November 2025, the Company held its annual work conference in Kunshan, attended by more than 80 core leaders from the Group and its business units. The conference focused on strategic reviews, target decomposition, thematic discussions, and implementation pathways. Senior executives addressed operational challenges, listened to frontline perspectives, and clarified three-year strategic plans and annual priorities. This translated top-level strategies into actionable, trackable, and optimizable initiatives, creating a direct communication platform between senior leadership and key personnel.











[Case Study 3: 25th Anniversary Symposiums — Honoring Excellence and Strengthening Cultural Bonds]

As part of the Company's 25th anniversary celebrations, symposiums were organized for Distinguished Contribution Award recipients and Outstanding Young Employees. The Chairman of the Board and members of the President's Office engaged in face-to-face discussions with honorees and emerging talents, listening to their experiences, passing on the Company's culture of dedication, and collecting suggestions for future development. These interactions highlighted the Company's commitment to talent while fostering the integration of seasoned expertise with youthful vitality, forming a meaningful and inclusive communication bond.

[Case Study 4: Democratic Life Meetings of the Leadership — Candid Reflection and Collaborative Progress]

In accordance with the Working Mechanism of the President's Office of Digital China Holdings, the Company convened multiple democratic life meetings at different organizational levels in 2025. During these sessions, senior management conducted criticism and self-criticism guided by the Management Declaration, addressing issues such as process efficiency, cross-departmental collaboration, professional capabilities, and accountability. Through open dialogue and consensus-building, these meetings promoted continuous improvement and set an example of transparent communication and pragmatic problem-solving across the organization.

Digital China Holdings has established a comprehensive communication management system and grievance handling mechanism covering all employees. The Employee Grievance Management Policy standardizes grievance procedures. Employees who have objections to disciplinary actions, promotions, demotions, or transfers may submit appeals in accordance with the policy. An Appeal Review Committee is established to handle such cases. Under strict confidentiality, the Company investigates each appeal diligently to ensure that employees' legitimate rights and interests are protected.

Employee Grievance Handling Process

1. Receipt of Appeals: The Human Resources and Administration Department receives employee appeals. HRBPs are responsible for investigation, evidence collection, preliminary recommendations, participation in deliberations, and feedback.
2. Establishment of an Appeal Review Committee: A committee comprising the appellant's department manager, the HRBP, and the head of the relevant HR and Administration function is formed.
3. Mediation and Resolution: The HRBP investigates the root cause and proposes a preliminary resolution. If accepted by the appellant, the case is closed.
4. Final Decision: If mediation fails, the HRBP submits the appeal and supporting materials to the General Manager for review and final adjudication in accordance with Company policies.

In addition, employees may anonymously report concerns to the Audit Department in accordance with the Whistleblowing Policy and Incentive Measures. The Company conducts investigations in compliance with relevant regulations. Any retaliation against whistleblowers will result in strict disciplinary actions, including dismissal and referral to judicial authorities where appropriate.

3.2 Employee Development

3.2.1 Incentive System

Digital China Holdings consistently upholds internal equity and value orientation as the core principles of its compensation management. The Company continues to refine a comprehensive incentive framework integrating cash incentives, equity incentives, and honorary recognition, ensuring market competitiveness while closely aligning employee value with the Company's long-term development. This approach provides strong support for attracting, retaining, and nurturing talent.

During the reporting year, the Company maintained its broadband compensation management mechanism, establishing differentiated salary standards based on rank, position, capability, and performance. A full-cycle performance evaluation system—covering monthly, quarterly, and annual assessments—links appraisal results directly to bonus allocation, salary adjustments, promotions, and professional development, ensuring that rewards are commensurate with contributions and performance.

In terms of cash incentives, the Company prioritizes performance contributions by combining immediate rewards with periodic incentives. The Intelligent Supply Chain Group presents on-site cash awards during quarterly and semi-annual review meetings and annual employee assemblies to recognize outstanding teams and individuals in areas such as lean cost management, quality excellence, key account development, and innovation. These timely rewards effectively motivate teams to achieve operational breakthroughs.

Regarding long-term equity incentives, the Company has implemented a Restricted Share Award Scheme to align core talents and outstanding contributors with its long-term growth. Recipients of the 2025 "Three Gold Awards"—were included in the equity incentive program, enabling high-performing employees to share in the Company's sustained value creation.

[Case Study 1: 2025 "Three Gold Awards" — Role Model Incentives]

In 2025, leveraging its corporate culture recognition system, the Company proudly presented three core awards – the Golden Tripod Award, the Golden Sail Award, and the Golden Horse Award – combining honorary recognition with equity incentives to comprehensively recognize employees who have made outstanding contributions in various fields, thereby setting benchmarks for value creation:

Golden Tripod Award: As the highest corporate culture award of the Group, it recognizes individuals who have made outstanding contributions to the Company's key initiatives and strategic transformation over the past three years. It represents the highest affirmation of employees who embody the Company's core values and lead organizational change.

Golden Sail Award: As the highest individual award for technical personnel, it recognizes individuals who have delivered significant value through technological innovation and breakthroughs in key outcomes, commending their outstanding contributions to driving the Company's strategic transformation and business development through technological innovation.

Golden Horse Award: As the highest individual award for marketing personnel, it recognizes individuals who have achieved exceptional results in customer success and market expansion over the past three years, serving as a high-level recognition of employees who practice customer orientation and drive business growth.

Through a combination of "honorary recognition + equity incentives," the three awards effectively convey the Company's cultural values, unite employees in their efforts, and inject strong momentum into the Company's strategic transformation.







[Case Study 2: Honors at the 25th Anniversary Celebration]

At the Company's 25th anniversary celebration, the Group proudly presented the "Power of Life" series of awards:

- 25-Year Service Award: Recognizing long-serving employees who have accompanied the Company for a quarter of a century.
- Essay Award: Encouraging employees to document their growth stories and convey the warmth of the corporate culture.
- Youth Award: Celebrating outstanding young talents who demonstrate innovation and drive.
- Distinguished Contribution Award: Honoring employees who stood by the Company through critical periods and made exceptional contributions.







Through this high-caliber recognition system, the Company strengthens both spiritual motivation and cultural identity, ensuring that dedicated contributors are seen, respected, and rewarded. By integrating material incentives, cash rewards, equity incentives, and honorary recognition, Digital China Holdings has established a people-centric, impactful, and sustainable incentive system that fully unleashes employee initiative and creativity, fostering a culture of excellence, collaboration, and shared success.

3.2.2 Development Mechanism

We firmly believe that talent is the Company's most valuable resource. Digital China Holdings continuously operates a dual career development system comprising both professional and management tracks, providing employees with clear growth pathways to meet diverse development needs. Through annual comprehensive evaluations and talent reviews, the Company allocates greater resources and broader platforms to outstanding employees, entrusting them with more significant responsibilities and positions to help them realize greater value. To support global business expansion, the Company has also established the Regulations on the Assignment of Personnel to Hong Kong, Macao, Taiwan, and Overseas, encouraging employees to participate in international market development and laying a solid talent foundation for the Group's globalization strategy.

In assessing employee promotions and leadership appointments, the Company comprehensively considers performance, skills and experience, departmental needs, principles of fairness and equity, and career development requirements. This ensures impartial and well-founded promotion decisions while providing employees with robust career advancement opportunities.

Employees are encouraged to proactively plan their career paths. In alignment with organizational and departmental needs, the Company offers opportunities for promotion within career tracks, cross-functional mobility, and transitions between professional and management pathways. Digital China Holdings empowers employee growth through multiple development channels—strengthening professional expertise through customized training, unlocking potential through challenging assignments, broadening career horizons through job rotation, and encouraging participation in virtual organizations to accumulate cross-functional collaboration experience.

Management Talent Development System

To support business growth and enhance organizational capability, the Company has established a systematic training framework for high-potential leaders in key positions. A distinguished faculty composed of the President's Office, senior management, and external experts delivers specialized seminars focusing on strategic execution, organizational transformation, business-finance integration, and digital transformation. These initiatives continuously enhance the professional competence and managerial capabilities of leadership teams.

[Case Study 1: Human Resources Seminar]

The Company regularly organizes specialized seminars on human resources, focusing on critical topics such as organizational transformation, customer-centric organizational design, the strategic positioning of HR functions, and organizational capability development. These programs bring together HR professionals and emerging management talents across the Group for collaborative learning and discussion.

The curriculum aligns closely with the Group's strategic priorities, covering themes such as market value management, time and strategic management, and the evolving role of HR amid emerging technological trends. Participants are encouraged to propose organizational optimization plans, talent development initiatives, and implementation roadmaps based on practical business needs. Through methods such as integrating theory with practice, constructive criticism and self-reflection, and maintaining close engagement with frontline employees, the seminars cultivate managerial insight and significantly enhance the HR team's ability to support strategy, serve business needs, and empower organizational development.









[Case Study 2: Finance Seminar]

The Company also organizes specialized finance seminars aimed at cultivating core financial professionals and emerging finance leaders. Guided by the principle of "cutting through uncertainty with certainty," these programs are designed to strengthen strategic financial capabilities across the Group.

Inspired by the spirit of resilience and discipline, the seminars focus on key areas including accounting fundamentals, rolling budgeting, business-finance integration, digital transformation, capital operations, and market value management. They provide in-depth analyses of the interrelationships between accounting and budgeting, resource allocation, and dynamic budget iteration mechanisms. Collaborative discussions are conducted on digital finance initiatives such as the "Waterdrop Program."

Participants apply their learning to real-world business scenarios, transforming insights into practical outcomes such as the implementation of rolling budgets, optimization of accounting models, and integration of business and financial data. These initiatives effectively enhance the finance team's professional capabilities in supporting strategic decision-making, driving value creation, and navigating uncertainty.













3.2.3 Training Support

The Company has established a comprehensive training system and continues to implement a dual guidance mechanism comprising the Buddy and Mentor programs, providing new employees with a well-rounded platform for integration and professional growth. Leveraging robust internal online learning resources, the Company has achieved a 100% training coverage rate for all employees, encompassing corporate culture, institutional policies and procedures, job-specific skills, compliance, and risk management. Amid the wave of skills transformation in the AI era, 70%–80% of R&D personnel have adopted AI coding tools such as GitHub Copilot. The Company has established internal training and knowledge-sharing mechanisms on AI tool utilization, fostering a culture of continuous learning. These initiatives enable experienced employees to rapidly upgrade their AI capabilities while helping new hires quickly adapt to high-intensity project environments. Marking the Company's 25th anniversary in 2025, a series of technical seminars and cultural events not only reviewed its journey of growth but also significantly enhanced employees' sense of belonging and enthusiasm for learning.

To strengthen cultural heritage, unify value systems, and standardize professional conduct, the Company has developed a distinctive onboarding cultural training program known as the "Onboarding Boot Camp." This initiative deeply integrates corporate culture, historical legacy, institutional norms, working methodologies, and compliance requirements throughout the onboarding process, facilitating a transformation from "new entrants to the workforce" into "qualified Digital China professionals" in both mindset and conduct.

Training Indicator	2025	2024
Total Employee Learning Hours	Approx. 253,100 hours	Approx. 227,000 hours
Training Coverage Rate	100%	100%
Per Capita Training Hours	11.54 hours	11.78 hours
Male Per Capita Training Hours	11.93 hours	12.22 hours
Female Per Capita Training Hours	10.32 hours	10.44 hours
General Staff Per Capita Training Hours	9.84 hours	9.82 hours
Manager Per Capita Training Hours	17.24 hours	16.72 hours
Senior Manager to General Manager Per Capita Training Hours	21.97 hours	27.72 hours
President and Vice President Per Capita Training Hours	47.68 hours	38.19 hours

[Case Study: Cultural Onboarding Program for New Employees]

The Company continuously conducts the Cultural Onboarding Program, known as the "Onboarding Boot Camp," for new employees. Guided by the core objective of "Passing the Torch, Advancing Together," this immersive and systematic initiative integrates cultural orientation with professional empowerment for all new hires. The program focuses on key areas including corporate history, cultural philosophy, core values, institutional policies, working methodologies, and compliance red lines. Core courses include Company Overview, The Power of Life, Communication and Team Collaboration, and Compliance and Work Methodology. These are complemented by growth-sharing sessions from senior employees, interactive team-building activities, and immersive cultural experiences. Through these diverse formats, new employees gain a comprehensive understanding of the Company's development journey, strategic direction, business landscape, and cultural essence, while internalizing the team spirit of "Champion Customer Success, Create Value, Pursue Excellence, Foster Shared Growth."

Designed with standardized, ceremonial, and systematic elements, the program transforms new employees from passive recipients of institutional requirements into proactive advocates of corporate culture. It facilitates a transition from basic familiarity with the Company to the deep embodiment of its core values. This approach effectively strengthens employees' sense of belonging, identity, and professional mission, enabling personal growth to resonate with the Company's development. To date, the Onboarding Boot Camp has been conducted more than 790 sessions, benefiting thousands of new employees. It has become a signature initiative for cultural inheritance, talent cohesion, and employee development, providing robust cultural support and a strong talent foundation for high-quality growth and sustainable development.



3.3 Employee Care

3.3.1 Employee Benefits

In the pursuit of technological excellence and business growth, Digital China Holdings has always adhered to the deep-seated ethos of "people-oriented, technology for good." The Group firmly believes that great technology should not only create excess profits in capital markets, but should also serve as an inclusive tool for bridging social divides and enhancing human well-being. From safeguarding the legitimate rights of every employee to stimulating their creative potential, from leveraging AI technology to reshape grassroots government services to extending educational support to rural communities, the Company is committed to building a compliant, fair, diverse and inclusive employment environment, perfecting the employee development system, protecting employee health and safety, actively giving back to society, and using the rationality of data to paint a warm and prosperous social landscape.

Employee Mutual Aid Foundation

The Digital China Holdings Employee Mutual Assistance Foundation, established in 2008, is widely regarded as one of the Company's most compassionate initiatives. In 2025, the Foundation continued to play an irreplaceable role as a "safety net," bringing together the goodwill of thousands of employees to provide, at the earliest possible stage, financial relief without cumbersome approval procedures, as well as psychological support, to employees and their family members facing serious illness, family hardship, or accidental disasters. This spirit of mutual support across hierarchical and departmental boundaries has greatly strengthened the sense of belonging, cohesion, and risk resilience among all Digital China Holdings employees.

Mutual Aid Fund Indicator	2025	2024
Fund Members	7,993	7,413
Membership Fees Collected	RMB 959,200	RMB 889,600
Employees Assisted	11 cases	14 cases
Claims Paid	RMB 692,700	RMB 520,300

3.3.2 Corporate Culture Building

In 2025, marking the 25th anniversary of its founding, DC Holdings hosted a grand celebration under the theme "AI@DC · Power of Life." Board Chairman Guo Wei delivered a keynote speech, comprehensively articulating the strategic connotations of "Power of Life" and "AI for Process," thereby aligning strategic consensus and uniting efforts across the organization. The celebration featured the screening of a 25th anniversary commemorative film, AI practice sharing, and a series of award presentations under the "Power of Life" banner, including the 25-Year Service Award, Essay Award, Youth Award, and Meritorious Service Award. A music festival was also held, with uplifting songs and a rock rendition of the corporate anthem energizing the atmosphere. Over 20,000 employees nationwide participated simultaneously online, significantly enhancing their sense of belonging, pride, and team cohesion.









Guided by the core objectives of employee care, health empowerment, and cultural cohesion, the Group's labor union regularly organizes corporate cultural activities. In 2025, over 2,000 participations were recorded across various sports and recreational events. Ongoing initiatives included employee swimming and badminton clubs, the Beijing Regional Badminton Singles Tournament, participation in the Zhongguancun Software Park Table Tennis Team Competition, the "Love & Vitality Challenge" Fun Sports Games, and the 8th Employee Outdoor Family Day. These activities, which extended to employees' families, effectively alleviated work-related stress, strengthened emotional bonds, and reinforced corporate cultural identity.



Above: 2025 Employee Outdoor Family Day



Above: "Love & Vitality Challenge" – 2025 Digital China Fun Sports Games



Above: 2025 Beijing Regional Employee Badminton Singles Tournament



Above: Participation in the 2025 Zhongguancun Software Park Table Tennis Team Competition





Within the frontline operations of the intelligent supply chain business, corporate culture is deeply embedded in real-world practice. Ahead of the 2025 Double 11 Shopping Festival, ITL held its 16th "Escort Double 11" Pledge Ceremony across three major national regions. Through symbolic rituals such as battle flag handovers, badge presentations, and the signing of mission pledges, the event engaged warehouse operations teams nationwide. It reinforced commitments to safety, efficiency, and quality while fostering a "mission accomplished" spirit to ensure smooth fulfillment during the annual peak season.









Each year on May 6, during Logistics Day, ITL organizes themed events under the banner "Logistics Professionals Forever Young." In 2025, more than 1,000 employees from warehouses nationwide participated. The program collected nearly 200 stories of young logistics professionals and featured mentorship ceremonies, eco-friendly creative DIY activities, and team-building competitions. These initiatives translated values such as mentorship, green operations, and professional development into tangible practice, showcasing the vitality and responsibility of frontline logistics teams.



Guided by the 25th anniversary celebrations, supported by ongoing labor union initiatives, and enriched by frontline cultural practices, the Company has established a comprehensive corporate culture system that spans all employees and operational scenarios. By embedding its core values—"Customer Success, Value Creation, Pursuit of Excellence, and Openness for Win-Win Cooperation"—into daily operations, Digital China Holdings continues to enhance organizational vitality, cohesion, and sustainable development.

3.4 Community Building

3.4.1 Education Support

Digital China Holdings fully recognizes that educational equity is the most fundamental means of breaking the intergenerational transmission of poverty and advancing common prosperity. Since 2002, the Group has, with deep commitment, launched a Hope Primary School support and construction initiative. Through more than two decades of unwavering dedication, and with the generous donations of successive generations of employee volunteers, the Group has cumulatively supported the construction of 10 Digital China Hope Primary Schools in remote areas across nine provinces in China, benefiting more than 17,070 schoolchildren with cumulative volunteer service hours reaching 3,920 hours as of the end of 2025.

In 2015, under the leadership of management and following deliberation by the Party Committee, a long-term operation and maintenance mechanism for the upkeep of the Digital China Hope Primary Schools was established, to be jointly undertaken by the relevant Party general branches and the regional platforms in which the schools are located. On 29 April 2025, Digital China Holdings, together with its directly affiliated Party branch, visited the Tangqian Central Digital China Hope Primary School in Yongtai County, Fuzhou, to carry out the voluntary service activity themed "Technology for China, Building Dreams for the Future." During the event, the Company donated intelligent learning devices and study kits valued at RMB 9,631.31 to the students, and joined teachers and students in a themed class session, bringing the vision of Digital China into the rural classroom.



3.4.2 Industry-Academia-Research Collaboration

In 2025, the Group's industry–academia–research collaboration reached new heights by tackling world-class scientific challenges, forming an integrated framework encompassing advanced research, industry ecosystem leadership, and skilled talent cultivation. During the reporting period, the Group deepened fundamental research and core technology development with Peking University, strengthening its innovation foundation; partnered with Beijing Jiaotong University to co-develop industry standards and launch dual initiatives, leading coordinated advancements in green and data-driven development; and extended collaboration to frontline practice through vocational skills competitions, completing a closed-loop integration of industry, academia, research, and application. Through high-impact partnerships and tangible outcomes, the Company has continuously strengthened the source of technological innovation, accelerated the development of high-end and highly skilled talent, and enhanced its industrial influence, technological leadership, and brand value in intelligent supply chains and data intelligence—empowering Digital China and promoting high-quality, sustainable industry development.

[Case Study 1: Peking University — Shenqi Digital "Yanyun Infinity Intelligent Software Joint Laboratory"]

On February 25, 2025, Shenqi Digital, a subsidiary of Digital China Holdings, officially launched the "Yanyun Infinity Intelligent Software Joint Laboratory" in collaboration with the School of Computer Science at Peking University. The establishment of the laboratory was witnessed by leading scholars, including Academician Mei Hong of the Chinese Academy of Sciences and Academician Pu Shilong, Vice President of Peking University. Focusing on the core direction of AI for Process, the laboratory addresses key technological bottlenecks in the commercialization of general-purpose large models and intelligent software.

Directed by distinguished professors from Peking University, both parties have invested dedicated R&D resources. Building upon achievements that won the First Prize of the National Technology Invention Award and nearly two decades of collaboration, they jointly released the next-generation Yanyun Infinity one-stop AI and data-driven intelligent decision-making platform. The platform integrates over 100 data sources to construct enterprise-level intelligent agents, accelerating project delivery cycles by five to seven times and improving overall operational efficiency by 30 to 50 times.

The launch also engaged more than 15 industry partners, promoting large-scale applications in supply chains, manufacturing, energy, and other real-economy sectors. This collaboration elevates the Company's industry–academia–research cooperation from project-based partnerships to the co-establishment of a national-level high-caliber R&D entity, reinforcing its technological leadership in data intelligence and supply chain AI.





[Case Study 2: Strategic Partnership with Beijing Jiaotong University — Dual Initiatives Leading Industry Ecosystem Upgrades]

On April 30, 2025, at the Digital Transportation and Logistics Sub-Forum of the 8th Digital China Summit, the Company signed a comprehensive strategic cooperation agreement with Beijing Jiaotong University. The partnership covers four key areas: talent development, scientific research, joint research institutes, and green supply chains.

Both parties jointly launched a Green Supply Chain Initiative in support of China's "Dual Carbon" goals. As a core member, the Company also participated in the Logistics Data Openness and Interconnectivity Initiative, collaborating with 16 pilot cities and institutions such as the China Federation of Logistics and Purchasing to address industry data silos. During the forum, the Company showcased successful implementations of the Yanyun Infinity platform, including integration of 12 major systems for a leading food industry client. The project achieved cost savings of over 5%, reduced consumables usage by 65%, and enabled risk alerts exceeding 90%.

This cooperation, conducted on a national platform, fostered consensus and action frameworks for data openness and green development, enhancing the Company's influence in intelligent logistics ecosystems and its participation in industry standard-setting. It also marked an upgrade from project-level collaboration to strategic co-creation of industry ecosystems and standards.

[Case Study 3: Supporting the Henan Provincial Logistics Vocational Skills Competition — Building a Closed Loop of Industry, Academia, Research, and Application]

As of 2025, the Company has supported the Henan Provincial Logistics Vocational Skills Competition for three consecutive editions. As the exclusive designated technical support provider, it supplied its independently developed Digital China Vault Supply Chain Management System. Covering OMS, WMS, TMS, and BMS modules, the system accurately simulates real-world scenarios such as dynamic inventory optimization and intelligent route planning.

The platform has been deeply integrated into the daily teaching of logistics-related vocational institutions across the province, serving as standardized instructional software. By promoting "learning through competition and teaching through practice," it has supported multiple editions of the competition and benefited thousands of teachers and students. This initiative bridges the gap between industry demands and vocational education, addressing the disconnect between theory and practice in logistics talent development.

Through a virtuous cycle in which technology empowers education and education cultivates talent, the system has established a seamless pipeline between industry and academia. Designated as the official competition system for three consecutive years, its technological maturity and practical applicability have received authoritative recognition from government bodies, educational institutions, and industry stakeholders.



3.4.3 Technology for Public Good

In 2025, Digital China Holdings upheld its philosophy of "Technology for the People and Inclusive Sharing." Leveraging self-developed and independently controllable digital technologies and AI capabilities, the Group focused on key livelihood areas such as government services and urban governance. By promoting the deployment of cutting-edge technologies and bridging the digital divide, it enhanced the accessibility and convenience of public services through digital and intelligent solutions, ensuring that technological advancements truly benefit the broader population while continuously delivering social value and public welfare dividends. Centered on its proprietary Yanyun Infinity intelligent software platform, the Group advanced major digital livelihood projects across multiple regions in China. It also undertook key initiatives such as the Changchun Digital Economy Operation Platform and the Wujiang Big Data Platform, empowering urban governance and service upgrades through technological innovation. Among these, the "Houxi" AI Government Assistant project in Zhangzhou, Fujian, has emerged as a national benchmark for AI-powered government services.

[Case: Fujian Zhangzhou "Houxi" AI Government Assistant — Creating a National Benchmark for Inclusive AI + Government Services]

The "Houxi" AI Government Assistant project, undertaken by the Group in Zhangzhou, Fujian, actively responds to the national Guidelines for the Deployment and Application of Artificial Intelligence Large Models in the Government Sector. Aimed at addressing challenges such as fragmented consultations, complex procedures, and repetitive documentation, the project establishes a nationally leading benchmark for intelligent government agents.

Powered by the Yanyun Infinity platform, the project deeply integrates the AI middle platform and data middle platform of the Zhangzhou City Brain to build a "Government Brain" with advanced correlation analysis capabilities. It pioneers an integrated "Search–Ask–Handle" service model and adopts a non-intrusive collaboration approach to enable cross-departmental data interoperability and business coordination. Designed with both localization and inclusivity in mind, the system supports multilingual interactions in Mandarin and Minnan dialect, accommodates the needs of elderly users, and provides unified services across multiple channels, including HarmonyOS terminals and WeChat Mini Programs. It offers a full suite of intelligent functions—such as smart Q&A, intelligent assistance, intelligent pre-review, proactive reminders, and intelligent alerts—forming a closed-loop, end-to-end smart government service ecosystem.

The project has digitally restructured and optimized nearly 50,000 government service items. Its smart Q&A accuracy exceeds 95%, with 24/7 service capability and concurrent service efficiency equivalent to that of 1,000 staff members. It has reduced form-filling fields by 74%, streamlined application materials by 26%, improved first-pass approval rates by 80%, and achieved a 100% one-time consultation completion rate. Public satisfaction has reached 98.5%. At the Zhangzhou Administrative Service Center, for example, the system has enabled 20 staff members at immigration service counters to transition from form-filling assistance to higher-value roles such as consultation guidance and support for special-needs groups, optimizing human resource allocation.

As the first AI government service agent in Fujian Province—and among the first nationwide—to achieve full coverage of "intelligent consultation, real-time assistance during application, and assisted approval," "Houxi" is also the first in China to obtain full original intellectual property rights. Its technical framework has been incorporated into the central government's Guidelines for the Deployment and Application of Artificial Intelligence Large Models in the Government Sector and Tsinghua University's Report on the Development and Application of Government Large Models (2025). The project has been selected as a Fujian Provincial AI model and intelligent agent application initiative and formally signed at the provincial level, forming a replicable and scalable "Zhangzhou Model." It provides a practical and proven pathway for advancing AI-powered government services nationwide.



3.4.4 Empowering the Development of Regional Industrial Clusters

Digital China Holdings leverages its core capabilities in digital technology and smart supply chains to deeply integrate into regional industrial ecosystems. By focusing on technological empowerment, hub development, ecosystem collaboration, and digital trade, the Group precisely aligns with the needs of distinctive local industries. It enhances efficiency, drives transformation and upgrading, and promotes high-quality regional economic development. At the same time, it creates high-quality employment opportunities, actively fulfills its corporate social responsibilities, and injects strong momentum into the sustainable development of local industrial clusters.

[Case 1: ITL Guangzhou Baiyun Renhe Warehouse Commences Operations, Building a Smart Supply Chain Hub for South China's Beauty and FMCG Industry Belt]

On July 23, 2025, ITL, the smart supply chain brand under Digital China Holdings, officially inaugurated the Guangzhou Baiyun Renhe Warehouse at the Jishi Baiyun Airport Industrial Park in Renhe Town, Baiyun District, Guangzhou. As a flagship warehousing and logistics center in South China, the facility serves as a core supply chain hub empowering domestic beauty and fast-moving consumer goods (FMCG) industrial clusters.

Located in the heart of China's cosmetics and FMCG industry, the warehouse is adjacent to Guangzhou Baiyun International Airport and major freight logistics markets. It shortens factory-to-warehouse delivery time from four hours to just 30 minutes, enabling "24-hour delivery across South China and 48-hour nationwide delivery." By integrating with more than 20 overseas warehouses across Southeast Asia and leveraging Guangzhou's port resources, it provides a one-stop cross-border service covering domestic warehousing, international transportation, and overseas fulfillment, significantly improving efficiency and cost competitiveness for Chinese beauty brands expanding globally.

To address the characteristics of beauty and FMCG products—such as numerous SKUs, shelf-life sensitivity, and delicate packaging—the warehouse deploys intelligent equipment including automated seed walls and semi-automated packing and labeling machines. These are complemented by a full-lifecycle shelf-life management system and proprietary digital platforms, including the Supply Chain Control Tower, KingKooData big data platform, and OMS, WMS, TMS, and BMS systems. Together, they enable intelligent inventory management and efficient order fulfillment. The facility also introduces a "one-click interception" rapid return function to enhance customer experience.

Since its launch, the warehouse has reduced logistics costs, shortened product time-to-market, generated employment opportunities, and stimulated the development of upstream and downstream industries. It serves as an "accelerator" for South China's beauty and FMCG supply chain and aims to become a national benchmark for "Smart supply chain empowering industrial clusters."





[Case 2: Showcasing at the Xiong'an CIFTIS, Actively Contributing to Digital Trade and Industrial Cluster Development]

On September 11, 2025, Digital China Holdings was invited to attend the Digital Trade Innovation Development Conference of the Xiong'an New Area, held as part of the China International Fair for Trade in Services (CIFTIS). The event gathered over 700 industry representatives to explore opportunities in trusted trade in the digital economy. Prior to the conference, leaders from Hebei Province and the Xiong'an New Area met with the Company's executives and highly recognized its leadership in smart city development. Both parties reached a consensus on cooperation in AI infrastructure, trusted data spaces, and trusted trade systems.

Leveraging its full-stack AI service capabilities, the Company is collaborating with Xiong'an to expand the computing capacity of the "Eye of Xiong'an" Urban Computing Center. It is also jointly developing trusted data spaces, data annotation bases, and urban AI governance scenarios. In the digital trade sector, the Company is building trusted trade systems and cultivating cross-border e-commerce for local industrial clusters, promoting comprehensive supply chain collaboration to accelerate the growth of Xiong'an's digital trade.

During the roundtable forum, the Company shared benchmark practices of trusted data spaces across cities, industries, and enterprises, and contributed insights toward a new global trusted trade mechanism. Together with partners, it co-launched the "Global Trusted Trade (Xiong'an) Initiative," supporting the development of Xiong'an into a future city characterized by artificial intelligence. Through technological innovation and ecosystem collaboration, Digital China Holdings continues to empower high-quality development of regional digital trade and industrial clusters.



Environmental Section

Social Section

Key Performance Indicators

2025 ESG Key Performance Indicators

Key Performance Indicators

This section consolidates Digital China Holdings' core quantitative performance data across environmental, social and governance dimensions for 2025, facilitating cross-period comparison and industry benchmarking by stakeholders. In 2025, the Group achieved a significant upgrade in data collection: greenhouse gas emissions were refined into Scope 1 and Scope 2 in accordance with the GHG Protocol, and the environmental data statistical boundary was substantially expanded. The following data covers the Group's main operating entities in China (office buildings, technology parks and logistics bases), and unless otherwise stated, are denominated in Renminbi.

Environmental Section

Resource Consumption Data

Indicator	Unit	2025	2024	2023
Direct Energy Consumption	MWh	950	2,653	1,462
-Total Gasoline Consumption	L	11,972	11,438	7,395
-Total Diesel Consumption	L	1	1	22,776
-Natural Gas Consumption	m3	110,020	235,939	121,028
Indirect Energy Consumption	MWh	13,054	11,732	12,337
-Purchased Electricity Consumption	MWh	13,054	11,732	12,337
Total Energy Consumption	MWh	14,005	14,385	13,799
Per Capita Comprehensive Energy Consumption	MWh/person	0.64	0.75	0.82
Comprehensive Energy Consumption Density	MWh/10,000 orders	0.63	0.88	/
Total Water Consumption	tons	118,809	93,802	80,476
Per Capita Water Consumption	tons/person	5.42	4.87	4.80
Water Consumption Density	tons/10,000 orders	5.55	5.72	/
Steam Consumption	tons	115	120	430
Per Capita Steam Consumption	tons/person	0.01	0.006	0.03
Packaging Material Consumption	tons	18,129	16,197	15,179
Average Packaging Material Consumption Per 10,000 Order	tons/10,000 orders	1.36	1.04	1.22
Packaging Material Recovery Assisted for Customers	tons	58	0.90	/

Note:

1. Direct energy consumption is calculated using the applicable coefficients specified in the General Principles for Calculation of Comprehensive Energy Consumption.
2. The packaging material intensity indicator applies only to the order volume of the supply chain business.
3. In 2025, the Company's total shipment volume in its supply chain business exceeded 100 million orders, representing a year-on-year increase of 40%. However, packaging material consumption increased by only 12%. This was attributable to the adoption of AI-powered visual recognition and intelligent recommendation algorithms, which enabled the system to quickly match each uniquely shaped product with the most compact and material-efficient eco-friendly packaging. As a result, packaging usage was relatively reduced, achieving both cost savings and efficiency improvements.
4. During this reporting period, the Group's total water consumption and water consumption per capita increased compared with the same period of the previous year. This was primarily due to the optimization and refinement of the water usage data statistical methodology during the period, under which water consumption from facilities and supporting utilities previously excluded from the statistical scope was fully incorporated into the accounting. As a result, the data has become more complete and accurate, truly reflecting the Group's overall water usage. Meanwhile, the Group's workforce grew by 13.8% year-on-year during the period, leading to a corresponding increase in daily water demand for office operations and logistics support services, which also had an objective impact on the water consumption indicators. The aforementioned changes are not attributable to a decline in operational efficiency or lax water management, but rather to the combined effect of the expanded statistical scope and workforce growth. The Group continues to implement water conservation management measures, optimize water use facilities and processes, strictly control water intensity per unit of output, and remains committed to improving resource utilization efficiency.

Greenhouse Gas Emissions Data

Indicator	Unit	2025	2024	2023
Greenhouse gas emissions from direct emission sources (Scope 1)	tCO2e	267	542	348
- Emissions from Gasoline consumption	tCO2e	27	25	16
- Emissions from Diesel consumption	tCO2e	0.0027	0.0027	61
- Emissions from Natural gas consumption	tCO2e	241	516	272
Greenhouse gas emissions from indirect emission sources (Scope 2)	tCO2e	7,541	6,295	10,654
- Emissions from Purchased electricity consumption	tCO2e	7,541	6,295	10,654
Total greenhouse gas emissions	tCO2e	7,809	6,837	11,002
Per capita greenhouse gas emissions	tCO2e/person	0.36	0.35	0.66
Greenhouse gas emission density	tCO2e/10,000 orders	0.37	0.42	/

Note:

1. In 2025, for the first time, greenhouse gas emissions were rigorously broken down into Scope 1 (direct emissions, primarily from gasoline and diesel combustion by company-owned vehicles and natural gas usage at parks) and Scope 2 (indirect emissions, primarily from purchased electricity at data centers and office areas) in strict accordance with the GHG Protocol.
2. Scope 2 emissions were calculated using the 2024 national average electricity carbon dioxide emission factor (0.5777 tCO2/MWh) published by China's Ministry of Ecology and Environment.
3. The 2023 data does not break down Scope 1 and Scope 2 emissions, and the electricity emission factor used is from 2021. Due to differences in emission factors and statistical boundaries across years, caution should be exercised when interpreting absolute year-on-year comparisons. The Company will use the expanded statistical scope and the latest emission factors from 2025 as the baseline to achieve standardized, like-for-like comparability in subsequent reports.

Waste Data

Indicator	Unit	2025	2024	2023
Hazardous Waste Generation	tons	9.57	7.46	1.00
- Used Toner Cartridges and Ink Cartridges	tons	3.34	4.75	/
- Used Batteries	tons	2.50	2.71	/
Per Capita Hazardous Waste Generation	kg/person	0.44	0.39	0.06
Hazardous Waste Generation Density	kg/10,000 orders	0.21	0.45	/
Non-hazardous Waste Generation	tons	6,087	5,028	1,365
- Household Waste	tons	1,731	1,201	/
- Non-hazardous Office Waste	tons	4,356	3,827	/
Per Capita Non- hazardous Waste Generation	tons/person	0.28	0.26	0.08
Non-hazardous Waste Generation Density	tons/10,000 orders	0.32	0.31	/

Note:

1. Leveraging its nationwide reverse logistics network, the Group assisted core brand clients in increasing the volume of packaging materials recovered from 0.9 tonnes in the previous year to 58 tonnes, marking a shift from single-stream consumption to a circular economy.
2. The increase in non-hazardous waste generation is attributable to workforce growth in 2025 as well as changes in the statistical scope and methodology, resulting in more comprehensive and accurate data.

Social Section

Employee Data

Indicator	Indicator	2025	2024	2023
Total Number of Employees		21,936	19,268	16,782
By Type	Full-Time Employee	21,936	19,268	16,782
	Part-Time Employee	0	0	0
By Gender	Male Employees	16,753 (76.4%)	14,517 (75.3%)	12,768 (76.1%)
	Female Employee	5,183 (23.6%)	4,751 (24.7%)	4,014 (23.9%)
By Age	Under 30 Years Old	9,399 (42.8%)	8,739 (45.4%)	7,875 (46.9%)
	30-49 Years Old	12,277 (56.0%)	10,320 (53.6%)	8.711 (51.9%)
	Over 50 Years Old	260 (1.2%)	209 (1.1%)	196 (1.2%)
By Region	In Mainland China	21,793 (99.3%)	19,167 (99.5%)	16,651 (99.2%)
	In Hong Kong, Macao, Taiwan, and overseas	143 (0.7%)	101 (0.5%)	131 (0.8%)
By Profession	Technical Personnel	19,461 (88.7%)	16,794 (87.2%)	14,210 (84.7%)
	Sales Personnel	683 (3.1%)	734 (3.8%)	853 (5.1%)
	Financal/Administrative/ Management Personnel	1,363 (6.2%)	1,258 (6.5%)	1,157 (6.9%)
	Other Service Personnel	429 (2.0%)	482 (2.5%)	562 (3.3%)
By Educational Level	Associate Degree and Below	6,317 (28.8%)	5,989 (31.1%)	5,758 (34.3%)
	Bachelor's degree	14,888 (67.9%)	12,532 (65.0%)	10,390 (61.9%)
	Master's Degree And Higher	731 (3.3%)	747 (3.9%)	634 (3.8%)

Employee Turnover Data

Indicator	Indicator	2025	2024
Number of Departed Employees		7,183	5,359
Employee Turnover Rate		24.7%	21.8%
By Type	Full-Time Employee Turnover Rate	24.7%	21.8%
	Part-Time Employee Turnover Rate	/	/
By Gender	Male Employees Turnover Rate	24.9%	23.0%
	Female Employee Turnover Rate	23.9%	17.7%
By Age	Employee Turnover Rate for Under 30	29.1%	26.1%
	Employee Turnover Rate for 30-49 Years Old	21.1%	17.8%
	Employee Turnover Rate for Over 50	12.5%	13.6%
By Region	Employee Turnover Rate for Mainland China	24.6%	21.7%
	Employee Turnover Rate for Hong Kong, Macao, Taiwan, and overseas	33.2%	35.0%
By Profession	Technical Personnel Turnover Rate	24.8%	22.3%
	Sales Personnel Turnover Rate	24.6%	23.0%
	Financal/Administrative/Management Personnel Turnover Rate	22.7%	13.1%
	Other Service Personnel Turnover Rate	22.6%	19.6%
By Educational Level	Turnover Rate of Associate Degree and Below	26.6%	22.9%
	Turnover Rate of Bachelor's degree	23.7%	20.5%
	Turnover Rate of Master's Degree And Higher	27.9%	15.57%
By Flow Type	Voluntary Turnover Rate	19.77%	17.89%
	Involuntary Turnover Rate	7.45%	5.63%
	Retirement Turnover Rate	0.05%	0.06%

Note:

1. Employee turnover rate = number of departures / (year-end headcount + departures during the year) × 100%. The Group is committed to continuously optimizing employee retention through competitive compensation, dual-channel career development mechanisms and diverse corporate culture activities.

2. In 2025, the overall employee turnover rate was 24.7%, comprising voluntary turnover of 19.77%, involuntary turnover of 7.45%, and retirement/contract expiry of 0.05%. Voluntary turnover refers to employees resigning for personal reasons; involuntary turnover refers to workforce reductions proactively implemented by the Group due to organizational and personnel restructuring; retirement is a statutory ground for termination of labor contracts in Mainland China.The retention of core teams and key personnel remains stable, and the overall organizational cohesion and workforce fundamentals remain unaffected, further supporting the Group's long-term strategic execution and sustainable development.

Litigation Case Data

Indicator	2025	2024
Number of litigation cases arising from employment issues	39	43
Number of cases concluded	20	19

Note:

During the reporting period, there were 39 litigation cases arising from employment issues, with 20 cases concluded, representing a year-on-year decrease. The primary reasons for the employment-related terminations included project cancellations, employee misconduct, incompetence, and changes in the Company's objective circumstances. The Company prevailed in 40% of the litigated cases, while the majority of the remaining cases resulted in only partial support for the employees' claims.

The above litigation case data does not include cases resolved through mediation or those that were not formally docketed for trial.

Employee Training Data

Indicator	Indicator	2025	2024
Number of Trained Employees		21,936	19,268
Percentage of Trained Employees		100%	100%
Total Training Hours		Approx. 253,100 hours	Approx. 227,000 hours
Average Training Hours		11.54 hours	11.78 hours
By Gender	Average Training Hours Per Male Employee	11.93 hours	12.22 hours
	Average Training Hours Per Female Employee	10.32 hours	10.44 hours
By Position Level	General Staff Per Capita Training Hours	9.84 hours	9.82 hours
	Manager Per Capita Training Hours	17.24 hours	16.72 hours
	Senior Manager to General Manager Per Capita Training Hours	21.97 hours	27.72 hours
	President and Vice President Per Capita Training Hours	47.68 hours	38.19 hours

Health and Safety Data

Indicator	2025	2024
Work-related Fatalities	0	0
Number of Work Injuries	16	28
Lost Workdays Due to Injuries	97	958
Health and safety related litigation	0	0

Community Investment Data

Indicator	2025	2024
Hope School Students Benefited (Cumulative)	17,070	16,289
Number of Participants in the Employee Mutual Aid Fund	7,993	7,413
Mutual Aid Fund Claims Paid	RMB 692,700	RMB 520,300

Appendix 1: HKEX ESG Reporting Guide Content Index

Appendix 2: GRI Content Index

Appendix 3: IFRS S2 Climate-Related Disclosure Index

Appendix

2025 ESG Appendix

Appendix

Appendix 1: HKEX ESG Reporting Guide Content Index

The following table details this report's precise response to each "comply or explain" provision and mandatory disclosure requirement of Appendix C2 "Environmental, Social and Governance Reporting Guide" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group strives for comprehensive coverage and detailed content for every disclosure requirement, ensuring that stakeholders can conveniently locate the information they need.

Aspect / KPI	Disclosure Requirement	Report Section
Mandatory Disclosure Requirements		
Governance Structure	Board oversight of ESG matters	Board ESG Statement; ESG Management System
Reporting Principles	Materiality, Quantitative, Balance, Consistency	About This Report
Reporting Scope	Report boundary description	About This Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Emission-related policies and compliance	2.1 Environmental Management System; 2.3.3 Emissions and Waste
A1.1	Emission types and data	2.3.3 Emissions and Waste
A1.2	Total GHG emissions and intensity	2.2.4 Metrics and Targets; Key Performance Indicators
A1.3	Total hazardous waste and intensity	2.3.3 Emissions and Waste; Key Performance Indicators
A1.4	Total non-hazardous waste and intensity	2.3.3 Emissions and Waste; Key Performance Indicators
A1.5	Emission reduction measures and results	2.2 Addressing Climate Change; 2.3 Lean Green Operations
A1.6	Methods for handling hazardous and non-hazardous waste	2.3.3 Emissions and Waste
Aspect A2: Resource Use		
General Disclosure	Resource use efficiency policies	2.1 Environmental Management System; 2.3.1 Reducing Consumption
A2.1	Total energy consumption and intensity	2.3.1 Reducing Consumption; Key Performance Indicators
A2.2	Water consumption and intensity	2.3.2 Water Conservation; Key Performance Indicators
A2.3	Energy use efficiency targets	2.1 Environmental Management System; 2.3.1 Energy Conservation and Efficiency Improvement
A2.4	Difficulty in sourcing water	2.3.2 Water Conservation (no significant difficulties)
A2.5	Packaging Materials Consumed	2.3.4 Recycling and Circular Economy; Key Performance Indicators
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies to mitigate significant impacts	2.1 Environmental Management System
A3.1	Significant impacts of business activities on environment and natural resources	2.4 Sustainable Solutions
Aspect A4: Climate Change		
General Disclosure	Policies for identifying and responding to significant climate change impacts	2.2 Addressing Climate Change
A4.1	Significant impacts of climate change and response actions	2.2.1-2.2.4

Aspect / KPI	Disclosure Requirement	Report Section
B. Social		
Aspect B1: Employment		
General Disclosure	Employment-related policies and compliance	3.1.1 Standardized Employment Management
B1.1	Total employees by gender, age group, etc.	3.1.1; Key Performance Indicators
B1.2	Turnover rate by gender, age group, etc.	3.1.1; Key Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	Health and safety policies and compliance	3.1.3 Protecting Health and Safety
B2.1	Work-related fatalities and rate	3.1.3; Key Performance Indicators
B2.2	Lost workdays due to injuries	3.1.3; Key Performance Indicators
B2.3	Occupational health and safety measures	3.1.3 Protecting Health and Safety
Aspect B3: Development and Training		
General Disclosure	Training policies	3.2.3 Training Support
B3.1	Percentage of trained employees by gender and category	3.2.3; Key Performance Indicators
B3.2	Average training hours by gender and category	3.2.3; Key Performance Indicators
Aspect B4: Labor Standards		
General Disclosure	Policies and compliance on preventing child or forced labor	3.1.1 Standardized Employment Management
B4.1	Measures to avoid child and forced labor	3.1.1 Standardized Employment Management
B4.2	Steps taken when violations are discovered	3.1.1 Standardized Employment Management
Aspect B5: Supply Chain Management		
General Disclosure	Supply chain management policies	1.6 Supply Chain Management and Empowerment
B5.1	Number of suppliers by region	1.6; Key Performance Indicators
B5.2	Supplier admission practices and measures	1.6 Comprehensive Measures
B5.3	Environmental and social risks of suppliers and response measures	1.6 Working Together
B5.4	Practices for identifying supply chain environmental and social risks	1.6 Working Together

Aspect / KPI	Disclosure Requirement	Report Section
Aspect B6: Product Responsibility		
General Disclosure	Product/service quality policies and compliance	1.5 Quality Management and Service Assurance
B6.1	Percentage of products recalled out of total sold/shipped	Not applicable (IT services industry)
B6.2	Number of product/service complaints received and response methods	1.5.2 Service Assurance
B6.3	IP protection measures	1.4.2 Intellectual Property
B6.4	Product and service quality assurance processes	1.5.1 Quality Control
B6.5	Personal data protection policies and compliance	1.3.2 Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Anti-corruption policies and compliance	1.1.2 Compliance and Integrity
B7.1	Number and results of concluded corruption litigation cases	1.1.2 Compliance and Integrity
B7.2	Anti-corruption training	1.1.2 Compliance and Integrity
B7.3	Compliance with anti-corruption laws and regulations	1.1.2 Compliance and Integrity
Aspect B8: Community Investment		
General Disclosure	Community engagement policies	3.4 Community Building
B8.1	Areas of contribution	3.4.1-3.4.4
B8.2	Resources used in focus areas	3.4 Community Building

Appendix 2: GRI Content Index

This report has been prepared with reference to the Global Reporting Initiative (GRI) 2021 Standards. GRI Standards are the most widely used sustainability reporting framework globally. The Group systematically benchmarks against GRI disclosure requirements to ensure the international comparability and professionalism of the report content. The following is the GRI content index.

GRI Standard	Disclosure Item	Report Section
GRI 2: General Disclosures 2021		
2-1	Organization details	About Digital China Holdings
2-2	Entities included in sustainability reporting	About This Report
2-3	Reporting period, frequency and contact	About This Report
2-4	Restatements of information	About This Report (if applicable)
2-5	External assurance	The Group plans to progressively introduce independent third-party assurance in future reporting cycles
2-6	Activities, value chain and other business relationships	About Digital China Holdings
2-7	Employees	3.1.1; Key Performance Indicators
2-9	Governance structure and composition	1.1.1 Corporate Governance; ESG Management System
2-10	Nomination and selection of highest governance body	1.1.1 Corporate Governance
2-11	Chair of the highest governance body	1.1.1 Corporate Governance
2-12	Role of highest governance body in managing impacts	Board ESG Statement; ESG Management System
2-13	Delegation of responsibility for managing impacts	ESG Management System
2-14	Role of highest governance body in sustainability reporting	Board ESG Statement
2-15	Conflicts of interest	1.1.1 Corporate Governance
2-16	Communicating critical concerns	ESG Management System; Stakeholder Engagement
2-17	Collective knowledge of highest governance body	1.1.1 Board Diversity
2-22	Statement on sustainable development strategy	Chairman's Statement
2-23	Policy commitments	1.1.2; 3.1.1
2-24	Embedding policy commitments	1.1.2; 1.6
2-25	Processes to remediate negative impacts	1.1.2; 3.1.4
2-26	Mechanisms for seeking advice and raising concerns	3.1.4 Open Communication Channels
2-27	Compliance with laws and regulations	Compliance statements in respective sections
2-28	Membership associations	1.1.2 Trust and Integrity Enterprise Alliance; 3.4.2
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	3.1.1 Standardized Employment Management
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Double materiality assessment
3-2	List of material topics	Double materiality assessment
3-3	Management of material topics	Respective sections
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	1.1.2 Compliance and Integrity
205-2	Communication and training about anti-corruption policies and procedures	1.1.2 Compliance and Integrity
205-3	Confirmed incidents of corruption and actions taken	1.1.2 Compliance and Integrity
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.1.2 Fair Competition Statement

GRI Standard	Disclosure Item	Report Section
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	2.3.1; Key Performance Indicators
302-3	Energy intensity	2.3.1; Key Performance Indicators
302-4	Reduction of energy consumption	2.3.1 Reducing Consumption and Enhancing Efficiency
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	2.3.2 Water Conservation
303-5	Water consumption	2.3.2; Key Performance Indicators
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	2.2.4; Key Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	2.2.4; Key Performance Indicators
305-4	GHG emissions intensity	2.2.4; Key Performance Indicators
305-5	Reduction of GHG emissions	2.2 Addressing Climate Change; 2.3
GRI 306: Waste 2020		
306-1	Waste-related significant impacts	2.3.3 Emissions and Waste
306-2	Management of waste-related significant impacts	2.3.3 Emissions and Waste
306-3	Waste generated	2.3.3; Key Performance Indicators
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers screened using environmental criteria	1.6 Working Together
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	3.1.1; Key Performance Indicators
401-2	Benefits provided to full-time employees	3.3.1 Employee Benefits
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	3.1.3 Protecting Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	3.1.3
403-5	Worker training on occupational health and safety	3.1.3
403-9	Work-related injuries	3.1.3; Key Performance Indicators
403-10	Work-related ill health	3.1.3
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	3.2.3; Key Performance Indicators
404-2	Programs for upgrading employee skills	3.2.2; 3.2.3
404-3	Percentage of employees receiving regular performance and career development reviews	3.2.1 Incentive System
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	1.1.1; 3.1.2; Key Performance Indicators
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement	3.4 Community Building
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers screened using social criteria	1.6 Working Together
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.3.3 (no incidents during reporting period)

Appendix 3: IFRS S2 Climate-Related Disclosure Index

This report references the recommendations of IFRS Sustainability Disclosure Standard S2 "Climate-related Disclosures" (IFRS S2) issued by the International Sustainability Standards Board (ISSB), systematically disclosing climate information in relevant sections. This index also covers the core framework recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), demonstrating the Group's commitment to fully aligning with the highest international standards in climate information disclosure.

IFRS S2 / TCFD Element	Disclosure Requirement	Report Section	Completion
Governance			
Governance (a)	Governance body responsible for climate-related risks and opportunities	2.2.1 Governance; Board ESG Statement	Disclosed
Governance (b)	Management's role in assessing and managing climate-related risks and opportunities	2.2.1 Governance; ESG Management System	Disclosed
Strategy			
Strategy (a)	Short-, medium- and long-term climate-related risks and opportunities identified	2.2.2 Strategy	Disclosed
Strategy (b)	Impact of climate-related risks and opportunities on business model and value chain	2.2.2 Strategy	Disclosed
Strategy (c)	Impact of climate-related risks and opportunities on financial position, performance and cash flows	2.2.2 Strategy	Qualitative disclosure
Strategy (d)	Climate resilience — scenario analysis	To be established and disclosed	To be improved
Risk Management			
Risk Management (a)	Processes for identifying and assessing climate-related risks	2.2.3 Risk Management; 1.2	Disclosed
Risk Management (b)	Processes for managing climate-related risks	2.2.3 Risk Management	Disclosed
Risk Management (c)	Integration of climate risk management with overall risk management	2.2.3 Risk Management; 1.2	Disclosed
Metrics and Targets			
Metrics (a)	GHG emissions (Scope 1 and 2)	2.2.4 Metrics and Targets; Key Performance Indicators	Disclosed
Metrics (b)	Climate-related transition risk exposure	2.2.2 Strategy	Qualitative disclosure
Metrics (c)	Climate-related physical risk exposure	2.2.2 Strategy	Qualitative disclosure
Metrics (d)	Climate-related opportunities	2.2.2 Strategy	Qualitative disclosure
Metrics (e)	Capital deployment — climate-related investments	To be established and disclosed	To be improved
Metrics (f)	Internal carbon pricing (if applicable)	Not applicable	—
Metrics (g)	Remuneration — climate-related performance linkage	To be established and disclosed	To be improved
Targets (a)	Quantitative GHG emission reduction targets	To be established and disclosed	To be improved
Targets (b)	Other climate-related targets	To be established and disclosed	To be improved

Note:

This report represents the first reference to the IFRS S2 framework for climate-related disclosures, marking a historic step by the Group in climate governance transparency. Items marked "to be improved" (such as climate scenario analysis, quantitative emission reduction targets, climate-related remuneration linkage, etc.) will be progressively improved in future reporting cycles, and the Group commits to achieving a higher level of climate information disclosure in the 2026 annual report.

Note:

Appendix 3 is new content added in 2025, responding to the IFRS S2 recommended disclosure index requirements. The completion column facilitates rapid identification of information gaps and future improvement directions by management and investors. The Group will continue to improve its climate disclosure system, progressively covering climate scenario analysis (1.5°C/2°C), capital deployment and climate performance remuneration linkage and other advanced disclosure items.

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