



Shenzhen International
深國際

Shenzhen International Holdings Limited
深圳國際控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code : 00152

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2020

BUILDING VALUE
SHARING FUTURE







CONTENT

2	About the Group	15	Achieving Efficient Operation
4	About this Report	18	Adhering to be People-Oriented
6	Message from the Chairman	23	Establishing a Harmonious Community
7	Sustainable Development and Corporate Governance	29	Compliance
8	Communication with Stakeholders	30	Overview of Key Performance Indicators
10	Green Development	34	Report Content Index



ABOUT THE GROUP

Shenzhen International Holdings Limited (“Shenzhen International” or the “Company”, together with its subsidiaries, collectively referred to as the “Group”), a company incorporated in Bermuda, is a company listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group is indirectly held as to approximately 43.37%* equity interest by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal through Shenzhen Investment Holdings Company Limited. The Group is principally engaged in logistics, toll road, port and environmental protection businesses. The Group defines the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta and the Pan-Bohai Rim as strategic regions, endeavours to invest in, construct and operate logistics infrastructure projects including integrated logistics hubs and toll roads, and provides value-added logistics services to customers based on these infrastructures. Through expansion, mergers and acquisitions, restructuring and consolidation, the Group expands into various business segments such as comprehensive development of lands related to the logistics industry as well as investment in and operation of environmental protection business with the aim of creating greater value for its shareholders.

Since 2013, the Group has fully adopted the “Integrated Logistics Hubs” development strategy with a view to building a modern intelligent logistics platform with “large-scale logistics park network + integrated logistics services” as its core competitive edge. The business model of integrated logistics hubs is based on city and inter-city distribution centers that are equipped with warehousing, distribution and transfer capabilities, raw and fresh food cold chain centers, as well as e-commerce centers. The model also offers commercial and financial value-added services, as well as high-quality and efficient services for a lot of e-commerce platforms, express delivery companies, producers and manufacturers. As at 31 December 2020, the Group operated integrated logistics hubs in a total of 28 key logistics gateway cities across the country (excluding Shenzhen and logistics park management project) and had entered into investment agreements with the relevant government departments in respect of a total planned site area of approximately 7.14 million square meters.

Shenzhen is the base of the Group’s core logistics business. Following the industrial and urban development trends, the Group is actively progressing the revamp and upgrade of its logistics parks across Shenzhen by leveraging its own competitive edges in order to reinforce and promote its position in the city’s logistics industry. As at 31 December 2020, the Group managed and/or operated a total of three logistics projects and the Liguang Project (under construction) in Shenzhen. The logistics projects of the Group in Shenzhen had a total land area of approximately 640,000 square meters, of which approximately 570,000 square meters was in operation with an overall occupancy rate of approximately 90%.

As for logistics services, building on its network of logistics hubs across the country, the Group effectively strengthened its competitiveness in the logistics industry by stepping up the development of integrated logistics services. Through investment in quality asset-light projects and innovation in business model, the Group complemented its operations and conducted business development embracing both asset-light and asset-heavy business models and actively explored value-added logistics services. In addition, the Group formulated a sub-strategy for the development of smart warehouses at the end of 2019, pursuant to which it strives to establish demonstrative and pilot smart warehouses at its logistics parks and invest in, and mergers and acquisitions of, outstanding enterprises along the industry chain in an orderly manner.

* As at 31 December 2020



As for port operation, the operation of the port business faced immense pressure due to the pandemic and macro-economic downturn. A total of 448 seagoing vessels berthed at Nanjing Xiba Port with a total throughput of 35.93 million tonnes in 2020. On the other hand, the Group actively expanded, revamped and upgraded the first phase of the port, comprehensively enhanced its operating and management capabilities and optimized its business structure by introducing transport of bulk commodities in containers by rail. As a result, the port business maintained its leadership position in terms of business volume amongst its peers along the river. The port actively developed value-added businesses such as coal distribution, supply chain management and supply chain financial services taking advantage of the port resources.

As for logistics park transformation and upgrade, the Group has actively seized the opportunities brought about by land function adjustment of logistics parks arising from the urbanization process and progressed the transformation and upgrade of logistics parks in Shenzhen, in hope of maximizing the value of the Group's assets and in turn value for its shareholders. Through the transformation and upgrade of logistics parks, the Group can enhance its capital strength and lay a solid foundation for the development of its logistics parks and logistics business.

The Group's toll road business spans across the Shenzhen region, other regions in Guangdong Province and other provinces in China. The Group controls a total of 17 expressway projects as at 31 December 2020. As at the date of this report, the Group operates the toll road business through Shenzhen Expressway Company Limited ("Shenzhen Expressway"), a subsidiary held by the Company as to approximately 52%, whose H shares and A shares are listed on the Stock Exchange and the Shanghai Stock Exchange respectively. The total toll length of toll roads invested in or operated by the Group was approximately 174 km, 268 km and 187 km in the Shenzhen region, other regions in Guangdong Province and other provinces in China, respectively, of which approximately 9 km of the toll section under the second phase of the Shenzhen Outer Ring Project is under construction. Besides consolidating the toll road business, the Group has also prudently explored collaboration opportunities with leaders and branded enterprises in the environmental protection industry in recent years, aiming to enter various market sectors such as environmental protection and clean energy from an advantageous starting point. At the moment, Shenzhen Expressway has established a two-pronged framework with two core businesses, namely toll roads and environmental protection, which is expected to enhance development potential for the Group in the long term.



ABOUT THIS REPORT

This is the fifth Environmental, Social and Governance Report (the “Report”) issued by the Group, which will continue to report to the stakeholders’ on the Group’s latest results in environmental, social and governance (“ESG”) aspects in order to enable stakeholders to understand the Group’s ESG performance. The Report has been prepared in both Chinese and English and uploaded to the website of Stock Exchange and the Company’s website at www.szihl.com.

REPORTING SCOPE

The Report will report on the environmental, social and governance performance of the Group from 1 January 2020 to 31 December 2020 (the “Year”). In addition to the continuous focus on the operation of South China Logistics Park, Nanjing Xiba Port, Wuhan Integrated Logistics Hub, Shenyang Integrated Logistics Hub, Nanchang Integrated Logistics Hub and Shandong Booming Total Logistics Park, one additional integrated logistics hub project, namely Guizhou Integrated Logistics Hub (collectively referred to as “Operating Sites”) are also included in the Report to further extend the reporting scope. This Report does not cover information on Shenzhen Expressway, which has published its own environmental, social and governance report separately.

Details of the Operating Sites are as follows:

Name of business	Logistics Park	Integrated Logistics Hubs					Port
Name of the Operating Sites	South China Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Nanchang Integrated Logistics Hub	Shandong Booming Total Logistics Park	Guizhou Integrated Logistics Hub	Nanjing Xiba Port
Principal business	Mainly engaged in businesses such as bonded logistics, intelligent warehousing, general warehousing, etc., as well as the provision of services relating to loading and unloading, customs declaration and inspection, China-Hong Kong transportation and domestic transportation, etc.	Provides leasing services and property management services for distribution and transfer center and a modern warehouse center, and value-added ancillary services such as providing office and accommodation	Mainly provides warehousing, loading and unloading, freight transportation and logistics information consulting services	Possesses functions of drop-and-pull transport centre, distribution and transfer centre, comprehensive warehousing centre, information and supply chain management centre, e-commerce cluster, base for regional headquarters for the logistics sector and commercial ancillary service centre	Mainly provides general freight, freight station (site) operation, logistics service, warehousing service, joint cargo transportation, parking lot, house leasing and property management	Mainly provides services such as distributions and transfer centre and modern warehouse center	Port terminal operation and supply chain management service business relating to the port terminal operation
Operating area	322,000 square meters	67,000 square meters	264,000 square meters	91,000 square meters	37,000 square meters	148,000 square meters	220,000 square meters
Location	Shenzhen	Wuhan	Shenyang	Nanchang	Yantai	Longli County	Nanjing

¹ “Stakeholders”, also known as “interested parties” or “equity owners”, refer to groups and individuals that have a significant impact on the corporate business or may be affected by the business, including the board of directors of the Company, management, executives and general staff, as well as the shareholders, business partners, customers, government and regulatory authorities, banks, investors and community organization, etc.

REPORTING PRINCIPLES

The Report is prepared in accordance with the four reporting principles (i.e. materiality, quantitative, balance and consistency) set out in the Environmental, Social and Governance Reporting Guide contained in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Guide”). In addition, to enable a more comprehensive disclosure of the Group’s performance, some “recommended disclosures” are also covered by the Report.

Reporting Principles	Definition	Approach taken by the Group
Materiality	The reporting will be focused on the ESG issues which have material effects on stakeholders of the Group.	A survey of stakeholders was conducted during the Year to understand the major ESG issues they were concerned about.
Quantitative	The key performance indicator (“KPI”) data should be measurable and comparable as appropriate.	The Group’s social KPIs were sourced from the statistics of the relevant departments; and the environmental KPIs were measured by Carbon Care Asia, a professional consulting firm engaged for this purpose.
Balance	An issuer shall report on its ESG performance during the Year in an objective and truthful manner.	In the preparation of the Report, the Group not only focused on describing its achievements in ESG, but also introduced difficulties encountered and corresponding solutions.
Consistency	The disclosures in the report should use consistent disclosure methodologies to allow for comparison of KPIs in relation to ESG to facilitate understanding of corporate performance.	In the Report, the Group adopted methods which are the same as those adopted in the previous years, and compared some of the ESG data for the Year with those in the previous years. For details, please refer to the section headed “Overview of Key Performance Indicators”.

CONFIRMATION AND APPROVAL

The Group is committed to ensuring that all information presented in the Report is accurate and reliable and is managed through the internal control and formal review procedures established by it. The Report was confirmed and approved by the board of directors (the “Board”) on 29 June 2021.

FEEDBACK

The Group welcomes any comments or suggestions from stakeholders in respect of the Group’s ESG performance. Please contact us through the following means:

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Shouldering its corporate responsibility, Shenzhen International bolsters the real economy by providing services to cities, industries and people's livelihood. Deeply rooted in Shenzhen, Shenzhen International places its focus on the Greater Bay Area and establishes presence across the country, contributing its own power to the two-region construction in Shenzhen and the socio-economic development of local cities where it has operations.

Shenzhen International understands that a corporate development strategy in line with sustainability has become an important factor for facilitating long-term business growth, which in turn drives the Group's determination to fulfil its responsibilities for corporate sustainable development. The Board, which is responsible for the Group's sustainable development, has been fully considering various sustainable development factors in operation and management. As regulators and stakeholders have heightening expectations on sustainability governance, we will actively respond with actions to comprehensively improve the Group's performance in sustainability.

During the Year, the Group further strengthened its communication with stakeholders. A total of 418 internal and external stakeholders participated in an online questionnaire in relation to material issues of stakeholders, which was independently analysed by a professional consulting firm. The findings showed that stakeholders were very much concerned about issues such as "anti-corruption", "employment management system" and "safe and healthy working environment". In respect of these material issues, the Group has formulated corresponding policies and measures, and provided responses in different sections of the Report.

Due to the outbreak of COVID-19, various sectors of the Group's business were affected to different degrees during the Year. Despite such circumstance, the Group actively fulfilled its social responsibility by granting a three-month waiver of rental payment and other expenses to tenants in its 20 logistics parks in order to alleviate the burden of such tenants. Despite a temporary reduction in revenue, the rental exemption improved the Group's image and enhanced its attractiveness to tenants. At the same time, the Group actively responded to the government's call during the pandemic and donated approximately RMB5.32 million to Hubei. Moreover, as the health and safety of employees are the top priority of the Group, the Group immediately established an emergency response team following the outbreak of the pandemic to strictly implement various precautions and conduct lots of anti-pandemic education, as well as allocated over RMB500,000 to purchase anti-pandemic supplies, including 140,000 masks.

On the other hand, the Group also attached great importance to the environmental impact caused by its daily operations and accelerated the development and application of emerging technologies including "smart logistics" and "smart warehouse", which improved the efficiency of logistics operations while reducing energy use and waste emission. In addition, the Group's Meilin Checkpoint Project and Qianhai Project in Shenzhen were constructed in accordance with the National Green Building Grade II Standards. The Group hopes to achieve the goal of "carbon neutrality" by 2060 by adopting different measures within the Group.

Looking forward, the Group will continuously provide high-quality services and take into account the opinions of stakeholders with a view to integrating the concept of sustainable development into its business goals. At the same time, the Group will continue to keep track of the risks and opportunities related to sustainable development and adopt flexible responsive measures to better support social and environmental development.

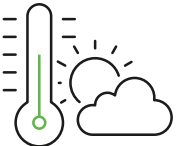


Li Haitao
Chairman

The Board is fully responsible for the formulation and review of strategic approaches and policies regarding sustainability of the Group, and supervision of the implementation of sustainability related task plans and budgets. The Executive Board Committee is responsible for assisting the Board in ensuring that the relevant sustainable development strategy has been thoroughly implemented by the Group in different aspects as well as incorporating the idea of sustainability into all aspects of the Group's operational process.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK MANAGEMENT

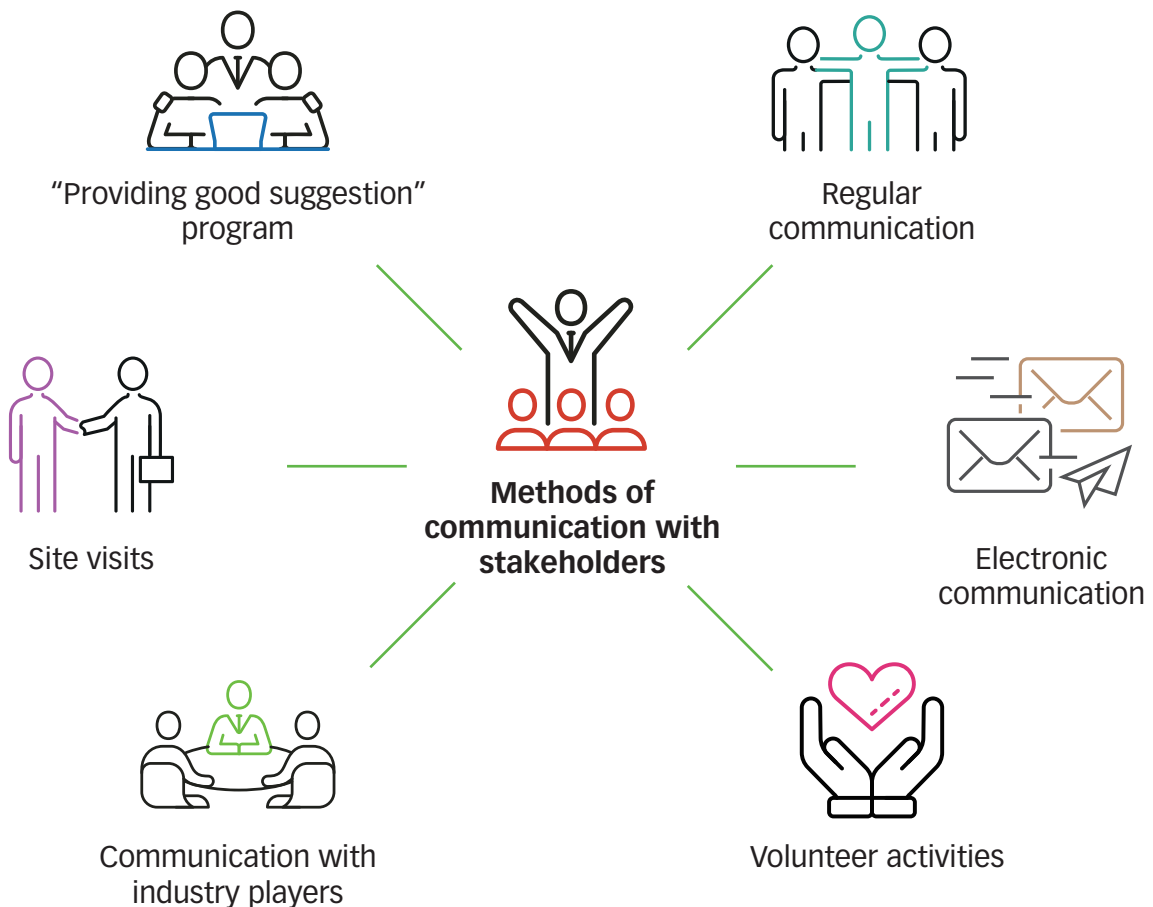
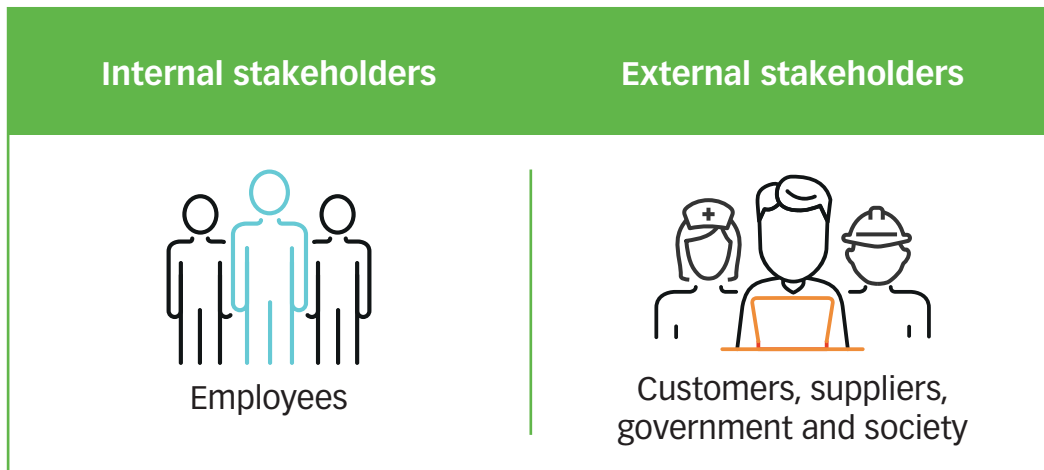
The Group has established an effective risk management and internal control system, consisting the Board, the Audit Committee, management, the Risk Control Committee, the Risk Management Department, the Audit Department and the risk management functions of other departments. Currently, the Group has already adopted the "Comprehensive Risk Management Regulations", requesting to commence risk assessments quarterly and annually. For the risks which may arise, the Company shall formulate corresponding strategies and the risk management department manages material risks of the Group on an ongoing basis. In addition, according to the requirements of the "Comprehensive Risk Management Regulations", the Group classifies the identified risks into major risk, important risk and general risk, and clarifies the three-level joint risk management system of "Board – Management – each subsidiary", of which, being a coordinating and working institution of comprehensive risk management tasks, the Risk Control Committee is responsible for planning, organizing and coordinating risk management tasks.

During the Year, the Group has identified the following risks in respect of sustainable development according to the current risk management and internal control system, and has formulated corresponding control measures.

Environmental, social and governance risks	Potential impacts	Risk mitigation and management measures
 <p>Climate change</p>	<p>The extreme weather conditions brought by climate change, such as hurricanes, floods and mudslides, may cause substantial risks to the Group's operations.</p>	<ul style="list-style-type: none"> • During its operation, the Group has been upholding its green development principles, observing national environmental protection policies, developing low-carbon economy, promoting low-carbon daily life and adopting new technologies and new standards of carbon reduction, so as to implement emission reduction task; and • The Comprehensive Risk Management Regulations (《全面風險管理規定》) established by the Group has included environmental safety and environmentally-friendly operation as initial risk information collection targets. We will assess the significant impacts caused by extreme weathers to the Group through consultation with experts, scenario analysis and policy analysis, and formulate corresponding risk management strategies.
 <p>Policy risk</p>	<p>The national environmental protection standards have become increasingly stringent, and the fiscal and tax subsidies provided for some environmental protection segments may be gradually reduced, which will affect the operation and profitability of the Group's environmental protection sector.</p>	<ul style="list-style-type: none"> • Promptly understand the changes in the policies of the environment protection industry and comprehensively assess the impact of the policies and consider corresponding measures.
 <p>Human resource management</p>	<p>Whether our internal management capability (such as human resources) can meet the demands of new business models and control models have significant impact on the Group's fulfillment of its established strategic goals.</p>	<ul style="list-style-type: none"> • Establish a long-term incentive mechanism and talent cultivation program; and • Establish a reserve talent pool and commence the training on the professional knowledge in respect of the reserve talent pool.

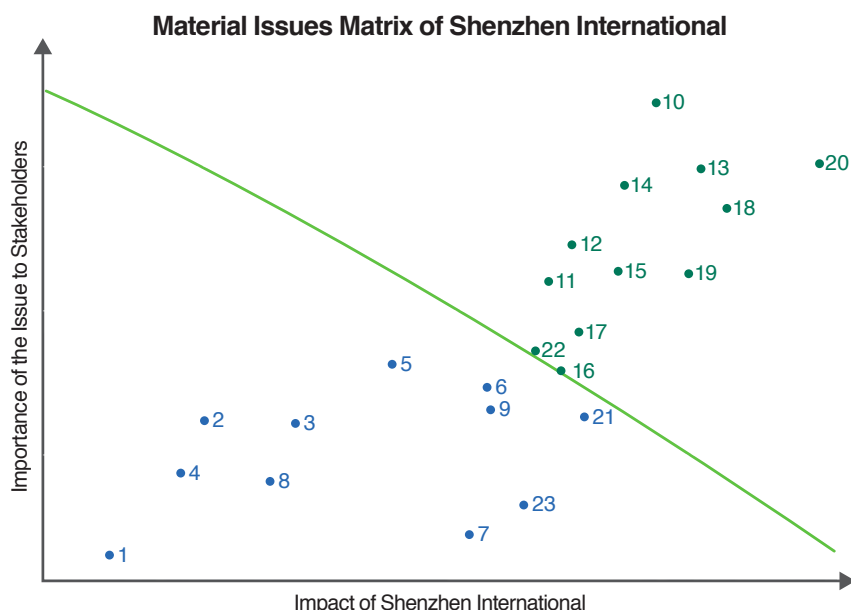
COMMUNICATION WITH STAKEHOLDERS

During the Year, the Group has organized various activities to understand the opinions and suggestions of stakeholders on the sustainable development of the Group. The Group believes that the participation of stakeholders can help the Group identify risks and opportunities in different aspects of sustainable development, and prompt the Group to formulate more comprehensive management policies and measures. During the Year, the Group's business and environmental, social and governance policies did not undergo major changes. Accordingly, the methods of communication with stakeholders used in the past were continued, the details of which are set out below.



MATERIAL ISSUES RELATED TO SUSTAINABLE DEVELOPMENT

During the Year, the Group continued to engage third-party organizations to conduct online survey among stakeholders and conduct independent analysis accordingly. A total of 418 valid responses were received to such questionnaire, of which approximately 84% came from internal stakeholders. Based on the scores given by stakeholders and upon verification by an independent third party, the Group has identified 12 material issues from the 23 issues related to sustainability. For details, please refer to the diagram on the right:



The 12 material issues are sorted in descending order of influence/importance as follows:

No.	Issues
20	Anti-corruption: combating acts including bribery, fraud, extortion, money laundering, offering or receiving benefits, and abuse of power
10	Employment management system: establishing a comprehensive system to protect employees' rights in terms of remuneration, working hours, rest time, holidays, benefits, retirement protection, etc.
13	Safe and healthy working environment: such as formulating additional workplace safety protection measures, equipping personal protective equipment; implementation of occupational health and safety management systems; launching safety risk and hazard assessment methods; improving work-related injury statistics methods to improve data quality and comparability; and carrying put activities to improve the physical and mental health of workers
18	Privacy protection: to protect customer or tenant information (including preventing the disclosure of their information) and privacy (such as the obligation to keep secrets, protect information from abuse or misappropriation, etc.)
14	Training and development: including training to improve the professional skills of employees, and performance review of personal development
19	Protection of intellectual property rights: including the protection of the ownership of research results of internal employees, as well as the protection of intellectual property rights of partners, etc.
15	Prevention of child labor or forced labor: including threatening employees with dismissals to make them to work overtime involuntarily, and engaging children in work that is detrimental to their physical and mental development or violates human rights
12	Elimination of discrimination: including rejection and avoidance of unequal treatment based on race, gender, age, etc.
11	Diversity of employees and equal opportunities: such as improving human resources policies to promote diversity in gender, age, ethnicity and nationality; encouraging employment of minorities or disadvantaged groups; supporting gender equality
17	Customer health and safety: such as evaluating the health and safety issues arising from services during their life cycle, and complying with relevant health and safety regulations related to such services
22	Preparation for emergency: including the establishment of a timely and transparent reporting mechanism in response to emergencies and ensuring the participation of local communities
16	To assess and manage social risks of suppliers, for example: to evaluate or review suppliers' occupational health and safety practices, reasonable wages and working hours, etc. in accordance with social standards to prevent and reduce the negative impact of the supply chain on society

The Group is committed to manage substantive issues identified by stakeholders through standardized systems and sound policies, which will be detailed in subsequent sections. The Group will continue to pay attention to issues with low concerns for the time being. In the future, the Group will continue to understand the opinions and suggestions of stakeholders through diversified, transparent, honest and accurate communication channels to drive the implementation of Group's sustainable development strategies.

Environmental sustainability is an important aspect of the Group's fulfilment of its corporate social responsibility. The Group will strive to optimize the use of resources and protect the natural environment and ecosystem. In order to effectively minimize the impact of operations on the environment, the Group has formulated the Safety, Health and Environmental Protection Management Regulations (《安全健康環保管理規定》). Meanwhile, each Operating Site has formulated a series of environmental policies in line with its own conditions to avoid and reduce the risks and impacts of business operations on the environment.

EMISSIONS MANAGEMENT

Greenhouse gases

Related Policy

Greenhouse Gas Emission Management Measures (《溫室氣體排放管理規定》).

Due to the nature of the business at each Operating Site of the Group, greenhouse gases emitted by the Group are mainly derived from the Port operations. In order to further strengthen the management of greenhouse gas emissions, the Port have formulated the above policy, stipulating that the equipment maintenance department shall be responsible for the maintenance and replacement of daily environmental protection equipment, and ensure the use of well-functioning environmental protection equipment. Other Operating Sites of the Group will further regulate the emission of greenhouse gases in accordance with the requirements of relevant national laws and regulations.

The Group continued to commission an independent consulting firm, Carbon Care Asia, to conduct a carbon assessment for the Year in order to quantify greenhouse gas emissions (or "carbon emissions") generated during its operation. The process of quantification is based on the Accounting Method and Reporting Guide for Greenhouse Gas Emissions from Industry and Other Sectors (《工業其他行業企業溫室氣體排放核算方法與報告指南》) and the guidelines issued by the National Development and Reform Commission², and reference to international standards such as ISO14064-1 and the Greenhouse Gas Accounting System.

During the Year, the Group's Operating Sites emitted a total of 27,187 tonnes of carbon dioxide equivalent of greenhouse gases, representing an increase of 6.74% compared to 2019, mainly due to the addition of a new Operating Site, and the greenhouse gas intensity (calculated by area) was 0.024 tonnes of carbon dioxide equivalent per square meter, representing a decrease of 17.24% compared to 2019. In terms of emission sources, scope 2 (i.e. energy indirect greenhouse gas emissions) accounted for 93.50% of the total greenhouse gas emissions, indicating that the external energy consumed by the Group contributed to the majority of the Group's greenhouse emissions gas. In addition, greenhouse gas emissions from the Port accounted for more than half of the total greenhouse gas emissions at all Operating Sites, reaching 50.27%. In order to strengthen the management of greenhouse gases generated from daily operations, the Port has formulated its Greenhouse Gas Emission Management Measures (《溫室氣體排放管理規定》). Such measures stipulate that the equipment maintenance department is responsible for the daily repair and maintenance of different environmental protection equipment to reduce greenhouse gas emissions attributable to the aging of equipment.

For greenhouse gas emissions by scope, carbon emission intensity and year-on-year comparison, please refer to the section headed "Overview of Key Performance Indicators". The Group will continue to assess, record and disclose its greenhouse gas emissions data annually so as to lay a foundation for formulating carbon reduction targets, measures and priorities in the future.

² Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Land Transport Enterprises in China (Trial) (《陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》).

Air emissions

Related Policy

Safety, Health and Environmental Protection Management Regulations (《安全健康環保管理規定》).

The main source of air pollutants of the Operating Sites of the Group was the unorganized dust emissions from the Port, as well as air pollutants (such as nitrogen oxides, sulphur oxides and respirable suspended particulates) generated by the use of energy (such as gasoline and natural gas) by vehicles and certain equipment in the Logistics Park and the Integrated Logistics Hubs. In order to further reduce the air emissions generated in daily operations, the Group's Safety, Health and Environmental Protection Management Regulations have required the relevant departments of the Operating Sites to perform regular maintenance on operating equipment.

The Group has installed charging piles in certain logistics parks, and vigorously promoted the use of new energy tools such as electric forklifts, and reduced vehicle exhaust emissions by reducing the use of fossil fuels. Furthermore, in view of the dust generated during operation, the Port has adopted the following measures: (1) renovating the belt conveyors in the Port; (2) building a vertical wind and dust suppression net in the Port yard; and (3) purchasing a multifunctional dust suppression machine and a sweeping vehicle that meet the national VI emission standards, and establishing an online monitoring system. In the future, the Port will prepare to build a closed greenhouse and install solar photovoltaic power generation equipment according to actual conditions to create a green and smart port.

During the Year, nitrogen oxides, the Group's sulphur oxides, and respirable suspended particulates decreased to different degrees compared with 2019, by 46.60%, 46.76% and 10.33%, respectively, mainly due to the fact that the Port is the main source of exhaust gas emissions at various Operating Sites, and the three types of exhaust gas have decreased by 47.07%, 46.74% and 10.31% respectively compared with 2019.

Emission	Emission for the Year (kg)		
	Logistics Park	Integrated Logistics Hubs	Port
Nitrogen oxides (NOx)	60.33	799.44	5,152.30
Sulphur oxides (SOx)	1.29	11.38	111.26
Respirable suspended particulates (RSP)	3.85	14.49	168,580.46

Waste

Related Policies

Property Management Manual (《物業管理手冊》) and Measures for the Management of Solid Waste Classification (《固體廢物分類管理辦法》).

The Property Management Manual formulated by the Integrated Logistics Hubs has divided the waste generated into three categories, namely, daily domestic waste, industrial waste and hazardous waste. All daily domestic waste should be collected by the cleaning staff in the designated garbage room; all industrial waste and hazardous waste should be collected and processed by qualified organisation.

The Port has formulated the Measures for the Management of Solid Waste Classification (《固體廢物分類管理辦法》), which stipulates that its production safety committee shall be fully responsible for the management of solid waste. For hazardous wastes such as used motor oil and oil-containing wastes, special containers should be used for collection and hazardous waste signs should be set up in accordance with the requirements of the Standard for Pollution Control on Hazardous Waste Storage (《危險廢物貯存污染控制標準》) (GB18597-2001). After the collection of hazardous wastes, the engineering and technology department will contact a qualified organisation for disposal.

For hazardous waste, a total of 3.89 tonnes of hazardous waste was discharged from various Operating Sites during the Year, all of which was generated from the port, mainly used motor oil and oil-containing wastes. For non-hazardous waste, each operation site discharged a total of 5,871 tonnes, representing an increase of 78.31% compared to 2019, mainly due to the increase in the discharge of non-hazardous waste (i.e. daily domestic waste) at each Operation Site (excluding the port).

Waste water

Related Policy

Water Pollution Prevention, Control and Management Measures (《水污染防治管理辦法》).

During the operation of the Port, production waste water and domestic waste water will be generated. Production waste water must be treated by waste water treatment plant and multi-stage sedimentation device, and the water quality should meet the requirements of the Quality Standard for Municipal Waste Water Reclamation for Municipal Multi-Purpose Uses (《城市污水再生利用城市雜用水水質》) (GB/T18920-2002) and be used for watering and fire service in the Port. In addition, upon the domestic waste water was discharged to regulating tanks after collection for anaerobic digestion, sedimentation and disinfection processes, such waste water will be used for greening purposes in the Port.

USE AND MANAGEMENT OF RESOURCES

Related Policy

Management of Energy Saving and Consumption Reduction (《節能降耗考核管理辦法》).

Energy

The Group continued to improve the efficiency of the use of resources by the Group through formulating different resource management policies and reviewing the objectives and measures for the use of resources on a regular basis. Certain warehouses located in the Group's Operating Sites have installed photovoltaic power generation devices on the rooftop, aiming to produce renewable energy through such measure to reduce energy procurement and use.

During the Year, the total electricity consumption at the Operating Sites of the Group was 48,369 MWh, which was basically the same as in 2019, representing a mere increase of 2.46%, among which, direct energy (i.e. gasoline, diesel and natural gas) consumption accounted for 13.87% of the total energy consumption, while indirect energy (i.e. electricity) consumption accounted for 86.13% of the total energy consumption.

Use of energy	Consumption for the Year		
	Logistics Park	Integrated Logistics Hubs	Port
Gasoline (MWh equivalent)	–	108.21	138.57
Diesel (MWh equivalent)	21.80	14.17	1,893.89
Liquefied petroleum gas (MWh equivalent)	–	–	–
Natural gas (MWh equivalent)	–	4,674.34	–
Electricity (MWh)	2,703.48	17,453.35	21,505.56
Total energy consumption (MWh equivalent)	2,725.28	22,250.07	23,538.02
Energy intensity (calculated by area, i.e. "MWh equivalent/thousand square meter")	8.46	36.66	106.56

Water resource

The Operating Sites of the Group consumed a total of 718,253 cubic meters of water during the Year, representing an increase of 8.4% compared to 2019, mainly due to the addition of a new Operating Site. Moreover, the water consumption density dropped by 7.01% to 0.69 cubic meters per square meter, which indicate that the Group's water-saving measures are taking effect. The Operating Sites of the Group did not encounter any difficulties in obtaining water sources as they mainly use tap water from the municipal pipe network.

Water resource	Logistics Park	Integrated Logistics Hubs	Port
Water resource consumption (cubic meters)	402,414	250,160	65,679

Packaging materials

Among the Operating Sites of the Group, only Logistics Park used packaging materials, mainly including stretch film wrap and sealing tape, of 300kg and 60kg, respectively.

The resource usage policies of each Operating Site of the Group were implemented in accordance with the requirements of relevant national laws and regulations. The Group will continue to improve the efficiency for the use of resources in its production process in the future, and gradually establish quantitative targets for the use of resources with yearly resource consumption limits as benchmark.

ENVIRONMENT AND NATURAL RESOURCES

Related Policy

Safety, Health and Environmental Protection Management Regulations (《安全健康環保管理規定》).

In order to enhance the protection of the surrounding environment and natural resources, the Group has established a safety and health committee, which is mainly responsible for reviewing environmental protection planning, pollution treatment and coordination. The Group has established a corresponding SHE³ management structure to ensure that its business operations will not affect the environment and natural resources. In addition, in order to implement the Shenzhen Energy Conservation and Environmental Protection Industry Revitalization Development Plan (2014-2020) (《深圳市節能環保產業振興發展規劃(2014-2020年)》) and the Shenzhen Energy Conservation and Environmental Protection Industry Revitalization Development Policy (《深圳節能環保產業振興發展政策》), the Group has been carrying out project construction and operation that based on green building industry chain, and conducted technical and economic feasibility studies for the life cycle of buildings to determine the optimal green building technology system. The Group commenced construction and implementation in accordance with the requirements of the two-star national green buildings criteria (國家綠色建築二星級) to achieve maximum energy conservation, water conservation and material conservation, so as to protect the environment and reduce pollution. Meanwhile, the Group has, in the construction bidding materials, used green recycled building products in projects such as sidewalk slabs, subgrade liners, permanent soil slope protection, and outdoor green parking lots in accordance with the requirements of the Measures of Shenzhen Municipality for the Administration of the Emission Reduction and Utilisation of Construction Waste (《深圳市建築廢棄物減排與利用條例》), and is committed to creating green projects that are energy-saving, environmentally friendly, low-carbon and supports emission reduction. During the construction, the Group also adhered to the “seven 100%” dust control measures to effectively suppress the dust pollution at the construction site and ensure the air quality around the construction site.

CLIMATE CHANGE

The Group attaches importance to the impact of climate change on business operations, the city where it is located, and the society as a whole. Currently, in order to reduce the impact of extreme weather caused by climate change on the Group, the Group has formulated the Special Emergency Plan for Natural Disasters (Earthquakes) (《自然災害(地震)專項應急預案》), the Special Emergency Plan for Flood Prevention and Typhoon Prevention (《防颱防汛專項應急預案》), the Emergency Plan for Cold Currents and Heavy Snow Weather (《寒流冰凍大雪天氣應急預案》) and the Emergency Preparation and Response Control Procedures (《應急準備與響應控制程序》) and established an emergency prevention mechanism accordingly. In the event of any emergency, the front-line workers should be immediately transferred and relocated in accordance with the regulations. At the same time, the Group will continue to deepen the 24-hour shift system for key persons in charge and pay close attention to the situation of Operating Sites, so as to deal with sudden severe weather and natural disasters.

³ Safety, health and environmental protection.

The Group has been committed to achieving efficient operations by enhancing supplier selection criteria, improving service quality, and establishing corruption reporting channels.

SUPPLY CHAIN MANAGEMENT

Related Policies

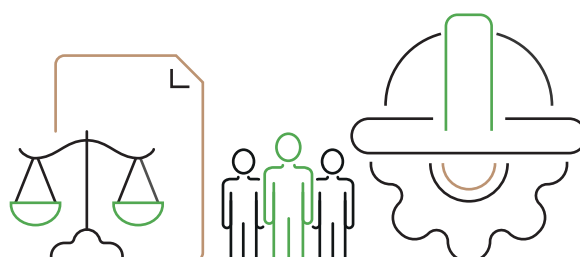
Management and Selection Method for the List of Intermediary Agencies (《中介機構備選庫管理及選聘方法》), Measures for Management of Bidding and Procurement (《招標採購管理辦法》), Guidelines for the Supervision and Management of Bidding (《招標監督管理工作指引》), Safety Management System for Related Parties (《相關方安全管理制度》), Measures for the Management of Selecting Intermediary Agencies (《選聘中介機構管理辦法》) and Property Management Manual (《物業管理手冊》).

The Group understands that strengthening the management of upstream and downstream suppliers will promote the improvement of the environmental and social performance of the entire supply chain. It encourages all suppliers to be responsible for their own environmental and social performance. The Group has formulated the above policies to strictly select suppliers that meet the requirements of the Group.



Environmental requirements for suppliers

- To take appropriate precautions to reduce the exhaust gas, waste water and solid waste discharge that may be generated by suppliers (such as project contractors) during the construction process.



Social requirements for suppliers

- To provide on-site construction personnel with labor protective equipment that protect workers from dust, noise and harmful gases.
- To arrange reasonable working hours. If workers have to work overtime due to work reasons, they should be given reasonable additional remuneration or compensatory time off.
- To enter into SHE management agreement with suppliers or to include SHE management terms in contracts in order to specify the rights and obligations of both parties.
- To invite a third party to carry out spot checks on production safety in order to strengthen the level of production safety of suppliers.

MAINTAIN PRODUCT RESPONSIBILITY

TO PROVIDE SAFE SERVICES

Related Policies

General Warehouse Business Contract (《普通倉業務合同》), Property Management Manual (《物業管理手冊》), Measures for Freight Quality Management (《貨運質量管理辦法》), Management Measures for Supervision and Inspection of Production Safety and Investigation of Hidden Hazards (《安全生產監督檢查與隱患排查管理辦法》), Measures for Safety Management of Equipment and Facilities (《設備設施安全管理辦法》), Management Measures for Fire Safety (《消防安全管理辦法》) and Management Measures for Dangerous Operations (《危險作業管理辦法》).

The Operating Sites of the Group attach great importance to providing a safe operating environment for tenants and port users. As such, various Operating Sites have formulated policies that meet their own operating characteristics and are committed to providing safe and efficient services.

Operating Sites	Measures
Logistics Park	<ul style="list-style-type: none"> To regularly check the fire safety of warehouses and other supporting facilities to reduce the risk of fire; and To work with tenants of logistics parks to maintain the normal use of water, electricity and fire facilities.
Integrated Logistics Hubs	<ul style="list-style-type: none"> To establish security positions, including foremen, door guards, patrolling, monitoring and mobile personnel; The relevant security personnel shall conduct regular patrols, and conduct at least four sessions of patrol; and To strictly forbid outsiders from entering the logistics hubs to conduct operations without permission.
Port	<ul style="list-style-type: none"> The business management department is responsible for the management, supervision and assessment of freight quality; To implement cargo quality requirements by the operation department; and The equipment management department is responsible for the operation and maintenance of equipment, and the investigation and handling in case of quality accidents-related incidents.

Customer Complaints

Related Policies

Complaint registration form (《投訴登記表》) and Property Management Manual (《物業管理手冊》).

In order to ensure that customer complaints can be dealt with in a timely manner, after receiving a complaint from a customer, the Group's Logistics Park and Integrated Logistics Hubs will immediately contact the complainant and record information in the customer email registration form (《客戶信電郵訪登記表》) or complaint registration form, and, at the same time, arrange park managers to handle the complaint in person and inform the complainant of the required processing time. After handling the complaint, we shall pay a return visit to the complainant. During the Year, no customer complaints were received by any of the Operating Sites.

Protect Customer Privacy

Related Policies

Information Security Management Systems (《信息安全管理制度》),
Measures for the Management of Market Database (《市場數據庫管理辦法》),
Property Investment Promotion Agency Service Agreement (《物業招商代理服務協議》) and
privacy agreements (《保密協議》).

The Group attaches great importance to the protection of customer privacy, and each Operating Sites has formulated different policies for management. The above policies require all employees to respect customer privacy and access content in strict accordance with their corresponding authorities.

Due to its business nature, the business of the Group does not involve matters related to intellectual property, product recall, advertising and labelling. Thus, no relevant policy is formulated. In the future, the establishment of the system will be strengthened in due course according to business development and changes.

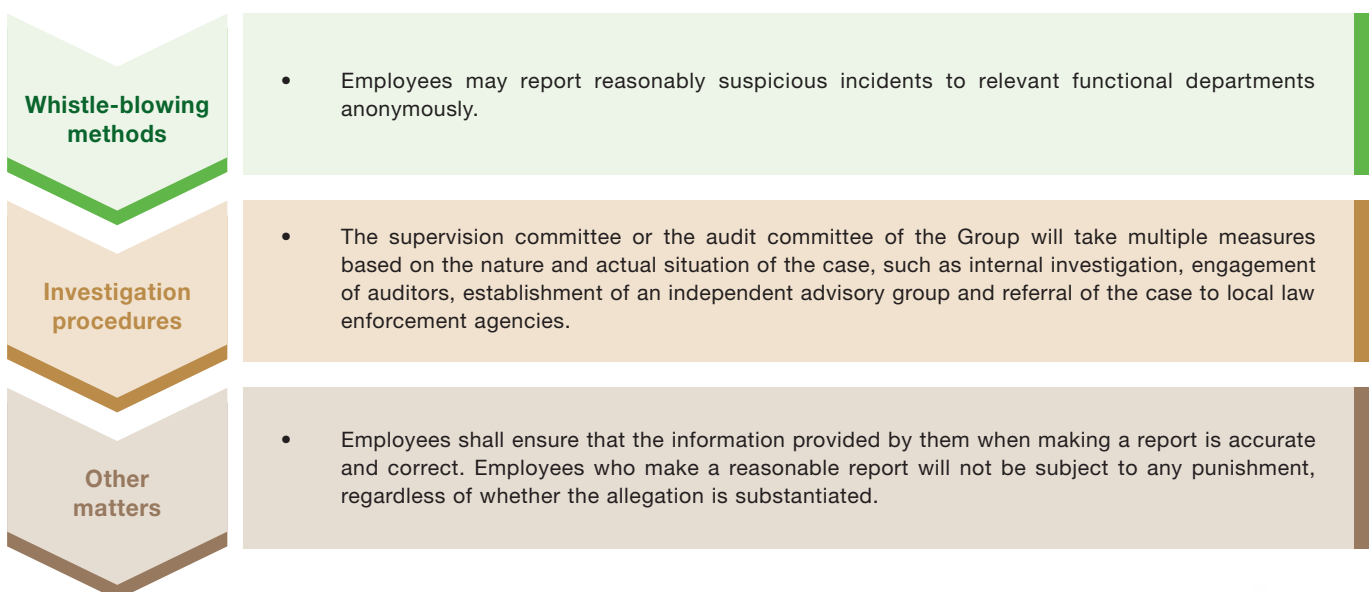
ANTI-CORRUPTION

Related Policies

Policy of Report on Misconduct (《不當行為的舉報政策》),
Major Supervision Mechanism Work Plan (《大監督機制工作方案》) and
Measures for Centralized Management of Issues and Clues (《問題線索集中統一管理辦法》).

The Group recognizes the importance of creating an anti-corruption corporate culture to its long-term development. No employee shall take advantage of his or her position to commit any bribery, extortion, fraud and money laundering. The Group has established a major supervision mechanism involving “discipline and inspection, finance, corporate management, administration, audit, risk, project supervision” to improve the effectiveness of supervision; nurtured professionals responsible for financial supervision, and improved the professional capabilities of relevant functional departments through external learning and internal training. At the same time, the supervision committee regularly convenes supervision meetings and carries out special inspections, business inspections or joint inspections in a timely manner. Multiple measures have been implemented to carry out major supervision. For issues identified, effective prevention and rectification suggestions will be put forward.

In addition, the Group has established whistle-blowing procedures for all employees to report improper conducts. The Group undertakes to strictly protect the personal information of whistle-blowers.



ADHERING TO BE PEOPLE-ORIENTED

Protecting the legitimate rights and interests of employees, nurturing excellent talents, and creating a safe employment environment are not only the foundation for a company to achieve long-term development, but also an important criterion for evaluating the company's sustainable development performance. The Group has formulated a series of policies to illustrate the management measures in terms of employee remuneration, recruitment, dismissal, training, safety and labor standards.

COMPREHENSIVE EMPLOYMENT SYSTEM

Related Policies

Employee Handbook (《員工手冊》),
 Measures for the Management of Employee Recruitment (《員工聘用管理辦法》),
 Measures for the Management of Employee Discipline (《員工紀律管理辦法》),
 Measures for the Management of Position and Promotion (《職位及晉升管理辦法》) and
 Management of Rest Periods and Overtime (《休假及加班管理辦法》).

The Group understands that a strict employment system can protect the legitimate rights and interests of employees from infringement. The Group has formulated the above-mentioned policies and is committed to safeguarding the rights of employees in terms of their basic rights, diversity and inclusion and labor standards.

Basic Rights



Salary and dismissal	Recruitment and promotion	Holidays	Other benefits and welfare	Working hours
<ul style="list-style-type: none"> The salary of the employees include monthly salary, year-end bonus, subsidy and allowance, social insurance and pension. The Group promises to pay its employees on time. The human resources department of the Group is responsible for dismissals strictly in accordance with the relevant national laws. 	<ul style="list-style-type: none"> The human resources department of the Group organizes recruitment and interviews according to the employment needs of various departments, and selects talents needed by the enterprise. The Group regularly organizes employee performance appraisals, and the results of the performance appraisal are used as the basis for making promotion decisions. 	<ul style="list-style-type: none"> The Group commits to provide corresponding holidays in accordance with national laws and regulations. On such basis, the Group will also provide qualified employees with examination leave and paid sick leave, etc., to help employees improve their work skills and protect their physical and mental health. 	<ul style="list-style-type: none"> The Group provides employees with medical benefits, communication subsidy, education allowance and other special rewards. 	<ul style="list-style-type: none"> The Group complies with the requirements of relevant national laws and regulations for working hours. Currently, the Group implements a five-day work week system, each Operating Site can adjust its working hours to a certain extent according to the nature of its operations.

Diverse and Inclusion

The Group advocates a diverse and inclusive working environment and firmly believes that the diverse backgrounds of employees are conducive to business development and innovation. Therefore, it is committed to promoting the establishment of a work culture regardless of age, gender, family status, disability, race, ethnicity or nationality. During the Year, the Group has recruited talents through various channels. At present, 41 ethnic minorities and 1 disabled person have been hired at each Operation Site.

In addition, in order to ensure the continuous development of diversity and inclusiveness, the Group commits to provide all employees with equal opportunities for employment, promotion and salary increment, and prohibits any form of discrimination.

Labor Standards

The Group strictly complies with national laws and regulations in terms of labor standards, and resolutely eliminates the use of child labor and forced labor. If relevant cases are found, such cases will be dealt with in accordance with relevant national laws and regulations.

OCCUPATIONAL HEALTH AND SAFETY

Related Policies

Safety, Health and Environmental Protection Management Regulations (《安全健康環保管理規定》),
Measures for Management of Occupational Safety (《職業健康管理辦法》),
Work Injury Insurance Management Policy (《工傷保險管理制度》) and
Occupational Safety Management Policy (《職業健康管理制度》).

Responding to the Pandemic

The Group regards the health and safety of employees as the focus of its work under all circumstances, especially under the outbreak of COVID-19. At the beginning of the outbreak of the pandemic, the Group immediately established a temporary headquarters, with the chairman of the Board acting as the commander, to handle pandemic response and safety education. Furthermore, in order to strengthen the management of pandemic prevention and control, the Group has formulated guiding documents such as the Pandemic Prevention and Control Emergency Response Plan of Shenzhen International (《深國際疫情防務應急處置預案》), Pandemic Prevention and Control Implementation Plan for Hong Kong Headquarters of Shenzhen International (《深國際香港總部疫情防務實施方案》) and Pandemic Prevention and Control, Resumption of Production and Work Safety, and Production Safety Guidelines of Shenzhen International (《深國際疫情防務、復產復工、安全生產指導手冊》). The Group was committed to supervising the implementation of production safety and pandemic prevention and control measures, and displayed pandemic prevention knowledge at the workplace to strengthen employees' awareness. At the same time, the Group required all employees to have their body temperature checked and undergo disinfection before entering workplace. The Group's canteen has adopted a meal-separation system to ensure a safe distance between employees, and measures such as flexible hours and home office have been adopted to prevent the spread of the virus. During the pandemic, the Group has purchased 140,000 masks, alcohol and other sanitary materials for employees to use for free to ensure the personal hygiene of all employees. During the Year, there were no cases of infection among employees of the Group.



Occupational Safety

The Group requires all Operating Sites to formulate occupational health management plans that meet the nature of their businesses, such as the evaluation of occupational hazard factors, the repairing and maintenance of occupational hazard protective equipment, regular safety inspections, etc. During the Year, no material occupational disease risk was identified at each Operating Site.

Work Injury Management

The Group has established a corresponding system to ensure that employees can deal with work-related accidents as soon as possible in accordance with the corresponding procedures.

1

In the event of a work-related accident, the on-site personnel should immediately start rescuing, and contact medical staff for hospitalization as soon as possible. The person in charge of the department to which the employee belongs should also make his/her way to the scene immediately to make overall arrangements for the related matters.

2

The person in charge of the safety department shall, within 12 hours of the accident, submit the medical records and accident reports of the work-related injuries to the safety department for backup and follow-ups.

3

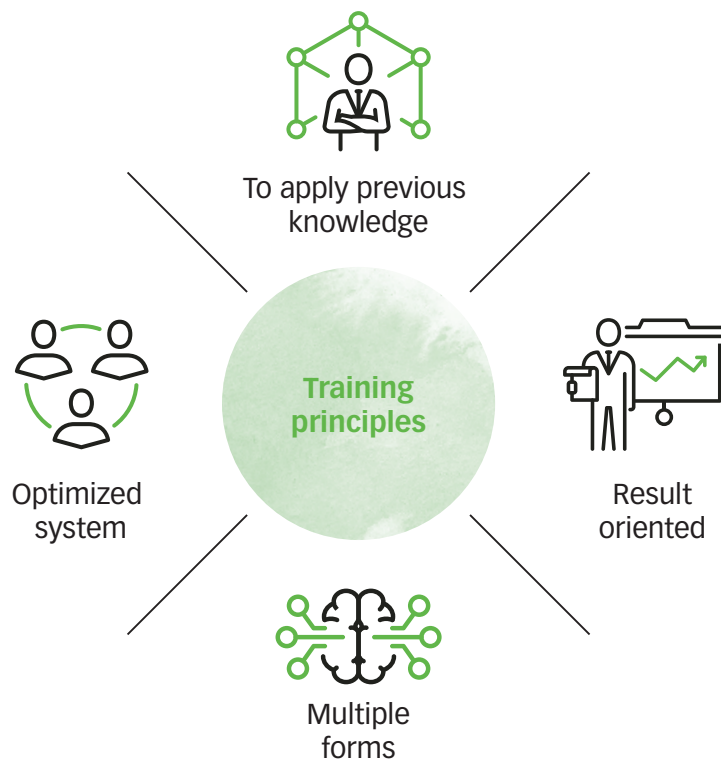
The human resources department should accompany the injured employee to the insurance department to obtain the application form for work-related injury identification within three months of the accident for subsequent insurance claims process.

During the Year, there were a total of five work-related injury incidents at various operating points, and 254 days of absences due to work-related injuries, which were dealt with in accordance with relevant national laws and regulations and relevant systems of the Group, and all relevant personnel have recovered. In the past three years, there was no death count due to work at any of the Group's Operating Sites.

EMPLOYEE DEVELOPMENT AND TRAINING

Related Policies

Measures for the Management of Employee Training (《員工培訓管理辦法》) and Measures for the Management of Two-Way Exchange Training of Talents (《人才雙向掛職鍛煉管理辦法》).

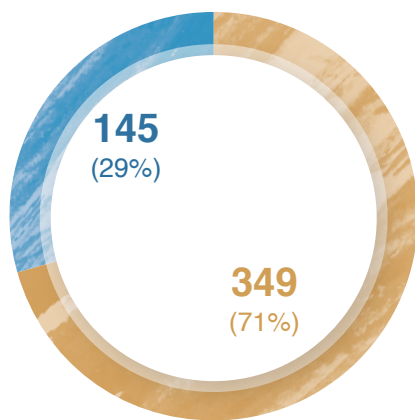


Helping employees continuously improve their work skills is one of the important goals of the Group, which does not only help companies achieve healthy development, but also expand the career paths of employees. The human resources department of the Group is responsible for formulating training policies, organizing various departments to formulate training plans, preparing training budgets, collecting training information, tracking training results, and creating training files, etc.; meanwhile, each department shall analyze training needs and draft employee training plans with reference to the training system of headquarters, department responsibilities, job requirements and employee career development direction, and evaluate the training results with the assistance of the human resources department.

Training activities

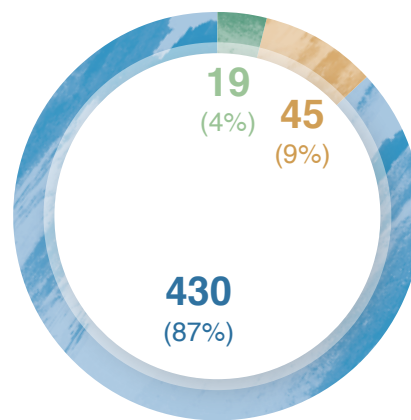
- The human resources department regularly organizes employee training to help employees with career planning and performance appraisal.
- The 3rd phase of the “Elite Program” was launched in collaboration with the Graduate School of Sun Yat-sen University, and more than 1,000 reserve talents and key members participated.
- “Selection of internal training instructors” was carried out. At the same time, the speeches of internal training instructors were formulated into a booklet, which served as the Group’s internal publicity materials.
- The Group created an exclusive training platform, established the Shenzhen International Academy, and provided online training methods with rich content, diverse forms and flexible management.
- The Group further promoted talent exchange and business collaboration between the Company’s headquarters and subsidiaries to improve the overall quality of reserve key personnel, and formulated a two-way exchange work plan.

Number and percentage of training participants by gender



● Male ● Female

Number and percentage of training participants by employment type



● Senior management ● Middle management ● General staff

The Group understands that support from local community is essential for the development of enterprises. As a responsible enterprise, the Group is committed to strengthening ties with local communities and understanding the real needs of local communities. In view of the poverty problem in Xinmin Village, Heyuan, Guangdong Province, the Group has formulated a Three-Year Action Plan (2018-2020) (《三年行動方案(2018-2020)》), and strives to utilize its own strength and leverage the advantages as a state-owned enterprise to improve the living standards of local residents. As of 2020, the Group has invested a total of RMB15 million. Adopting measures such as infrastructure construction, livelihood security services and school education assistance, after nearly five years of hard work, all poor households are no longer in poverty, and the disposable income per capita had exceeded the target value by 58%. Meanwhile, the annual collective income at village-level in aggregate increased from RMB36,000 to RMB350,000.

The details of different poverty alleviation activities of the Group are as follows:

I. BREAKTHROUGH AND INNOVATION, AN “ENCLAVE” TO GENERATE ECONOMIC PROFITS

Shangguan Town, where Xinmin Village is located, is a major tea-producing town. Xianhu tea is well-known in Lingnan region, whereas Xinmin Village is in close proximity to Xianhu Mountain but there is no tea mountain. In order to break through the limitation of resources and break the bottleneck of the industry, in 2016, Shenzhen International invested RMB1.75 million to purchase tea farms of 82 acres on the top of Xianhu Mountain, and contributed operating funds of RMB600,000 to establish a tea cooperative as a profit generating “enclave” of the industry for self-reliance and poverty alleviation in Xinmin Village.



Picking “Xianhu Yulu”



The making of “Xianhu Yulu”

“Xianhu Yulu” tea does not use chemical fertilizers and pesticides, and is considered a natural high-quality tea. From 2017 to 2020, the output of tea has steadily increased, and the annual turnover has stabilized at RMB700,000. The tea cooperative will distribute in every September RMB2,000 per person to the poor households in Xinmin Village and RMB1,000 per person to households living on subsistence allowance who are unable to work. The cumulative amount of bonus for four consecutive years amounted to RMB1 million. The total annual collective income of Xinmin Village has increased from RMB36,000 to RMB350,000. And the profit generating function of the “enclave” of tea industry has become increasingly prominent.

II. TARGETED POLICY IMPLEMENTATION AND POVERTY ALLEVIATION

Taking into account of the causes of poverty themed of different poor households, policies were implemented for each household, and assistance activities with the themes of “to relieve people from hardship”, “to improve income levels of the poor”, “to provide national health services” and “to warm people’s hearts” were carried out:

To relieve people from hardship. The Group studied the living conditions of local residents in advance, and through targeted cooperation with different government departments, measures such as opening major disease relief procedures, increasing the reimbursement rate of medical expenses, granting education subsidies to students in school and implementing intellectual poverty alleviation were taken to resolve the poverty situation of poverty-stricken households due to illness and cost of education.



The poverty alleviation work force carried out free volunteer medical consultation



Children read happily in the library of the service centre in Xinmin Village

To improve income levels of the poor. Apart from assisting Xinmin Village in managing and operating the tea cooperative and distributing the profits gained to poor households as mentioned above, the village based poverty alleviation team of our Group also rationally utilized poverty alleviation and development funds of RMB14,980 per capita to invest in Dongyuan State-owned Company (東源國資公司) and developed customised industrial projects (including the development of cattle raising projects, native chicken raising projects, rice milling projects, etc.) for poor households according to the wishes of poor households with working ability. We actively organised poor households to participate in labor skills training, and comprehensively improved the income level of poor households with measures of “state-owned dividends+industrial dividends+breeding development+industry+worker settlement”.



Assisting poor households in developing cattle raising projects



Assisting poor households in developing rice milling projects

To provide national health services. For poor households with physical and mental disabilities who cannot work, we made every effort to coordinate the completion of “mental disability” tests. For those from identified poor households living on subsistence allowances who are unable to work, they are provided with lifelong protection, which improved their living standards.

To warm people’s hearts. The Group helped local villagers rebuild dilapidated houses and assisted in the provision of tap water supply and visited villagers during holidays, which significantly improved the living conditions of poor households. Through multi-angle and all-round assistance, the annual disposable income per capita of poor households has increased significantly from RMB3,400 in 2015 to RMB15,178 in 2020. All the registered poverty-stricken households in the village have been lifted out of poverty.



Visiting to poor households in Xinmin Village during the Lunar New Year and Mid-Autumn Festival



Comparison of rebuilt houses.

III. STRENGTHENING THE FOUNDATION AND BENEFITTING PEOPLE'S LIVELIHOOD

The Group has completed the construction of multiple livelihood projects such as a party member service centre and ancillary facilities of 600 square meters, cultural and sports square of 2,800 square meters, pavement hardening for village roads of 1,800 square meters, lighting 110 solar street lights, main flood discharge channel of 1,600 square meters, irrigation branch channel of 5,300 square meters, sewage treatment and environmental improvement with high standards and put them into use. The Group invested over RMB200,000 to improve the educational facilities of the Shangguan Central Primary School (上莞鎮中心小學), which provided convenience and laid a solid foundation for the production and livelihood of Xinmin Village and even its neighboring villages, as well as for children's schooling. With improved infrastructure, accessible cement roads, tidy living environment, and full-fledged facilities that serve the masses, people's livelihood has been greatly improved.



Newly-built village roads and solar street lights

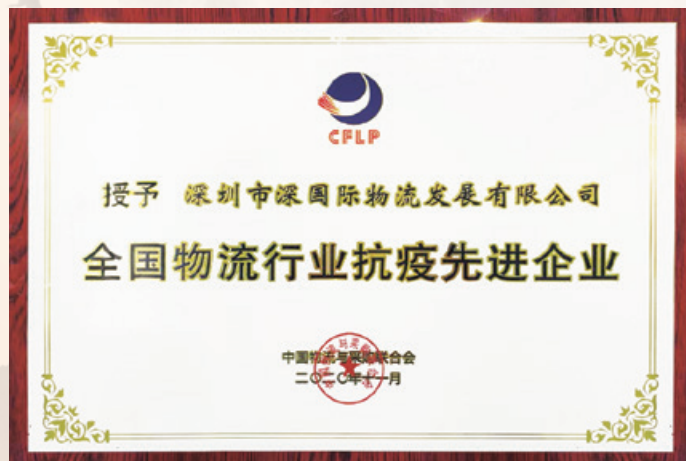


Newly-built cultural and sports square

TO ASSUME SOCIAL RESPONSIBILITIES AND FIGHT THE PANDEMIC TOGETHER

In 2020, the sudden hit of COVID-19 pandemic has significantly impacted the logistics industry which is responsible for the transportation of urban and civilian supplies. In order to reduce the cost burden of private logistics enterprises, the Group granted a three-month exemption from rental payment to tenants in the 20 logistics parks of the Group in total. In addition, Wuxi park provided the government with anti-pandemic supplies turnover site for free; Hangzhou park opened up a greenway to ensure the smooth flow of transportation vehicles for anti-pandemic supplies; Wuhan park donated RMB1 million to the government to support pandemic prevention and control, in an attempt to fight fought against the pandemic together, and took advantages of the Group's undertaking in social responsibility practices to endeavor to maintain the normal operation of the city.

The Group demonstrated our unshirkable responsibilities in fighting the pandemic, protecting people's livelihood, and promoting the informatization and intelligence of the logistics industry, which were unanimously recognized by the society and the industry. Shenzhen International Logistics Development Co., Ltd. won the "2020 Social Responsibility Contribution Awards for the PRC Logistics Industry" and the title of "Advanced Pandemic Fighting Enterprise in the PRC Logistics Industry".





Meanwhile, dozens of employees of the Group participated in the community's pandemic prevention and control work during the pandemic. Each pandemic fighter stayed at the forefront of pandemic prevention and control in neighbourhoods and communities day and night, and actively fought for the resumption of work and production. They worked together to establish a solid line of defence for joint prevention and control through daily visits and inspections, timely prevention and control, distribution of pandemic prevention supplies, promotion of pandemic prevention knowledge, and interpretation of policies that benefit enterprises.



BLOOD DONATION

As affected by the pandemic in 2020, the number of voluntary blood donations has dropped sharply as compared with that of the corresponding period last year, and the blood bank of Shenzhen Blood Center was in urgent need of blood supply. Shenzhen International has meticulously planned and carefully arranged the invitation of Shenzhen International to the Company and organized blood donation with the theme of "to fight against the pandemic ardently and donate for the sake of love" (熱血戰疫，為愛奉獻). There were 152 people who successfully donated blood with 52,750 milliliter of blood donated.

The Group ensures that its business operations are in compliance with legal requirements, and it continues to improve employees' awareness and ability of compliance and risk management through internal audits and training, formulating relevant policies, etc. It has been strictly abiding by laws and regulations related to the environment, society and governance. During the Year, the Group did not record any related pending investigation cases nor illegal incidents, and no related fines or compensations were involved, and there were no illegal cases that escalated to legal proceedings.

COMPLIANCE OF RELEVANT LAWS AND REGULATIONS

Aspect	Relevant laws and regulations	Compliance disclosures
A1 Emissions	<p>Environmental Protection Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Prevention and Control of Water Pollution</p> <p>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution</p>	During the Year, there were no cases of noncompliance in relation to emissions identified within the Group.
B1 Employment	<p>Labor Law of the People's Republic of China</p> <p>Labor Contract Law of the People's Republic of China</p> <p>Regulation on Paid Annual Leave for Employees</p>	During the Year, there were no cases of noncompliance in relation to employment within the Group.
B2 Health and safety	<p>Law of the People's Republic of China on Work Safety</p> <p>Law of the People's Republic of China on Prevention and Control of Occupational Diseases</p> <p>Fire Protection Law of The People's Republic of China</p>	During the Year, there were no cases of noncompliance in relation to occupational health and safety identified within the Group.
B4 Labor standards	<p>Labor Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Protection of Minors</p>	During the Year, there were no cases of noncompliance in relation to labor standards identified within the Group.
B6 Product responsibility	<p>Law of the People's Republic of China on Product Quality</p>	During the Year, there were no cases of noncompliance in relation to product responsibility identified within the Group.
B7 Anti-corruption	<p>Law of the People's Republic of China Against Unfair Competition</p> <p>Anti-Money Laundering Law of the People's Republic of China</p>	During the Year, there were no cases of corruption litigation against the Group or the staff, and there were no cases of non-compliance with relevant laws and regulations that have a significant impact on the Group.



ENVIRONMENTAL PERFORMANCE

Environment Key Performance Indicators		2020 ⁴	2019 ⁵	2018 ⁶	Unit
Aspect A1: Emissions					
A1.1	Types of emissions and respective emission data				
	NOx	6,012	11,258	17,489	kg
	SOx	124	233	364	kg
	RSP	168,599	188,030	187,604	kg
A1.2	Total Greenhouse gas emission and intensity				
	Scope 1 – Direct greenhouse gas emissions	1,744	2,028	2,608	tonnes of CO ₂ -e
	Scope 2 – Energy indirect greenhouse gas emissions	25,418	23,410	23,602	tonnes of CO ₂ -e
	Scope 3 – Other indirect greenhouse gas emissions	25	32	6	tonnes of CO ₂ -e
	Total greenhouse gas emissions (Scope1, 2 and 3)	27,187	25,470	26,216	tonnes of CO ₂ -e
	Greenhouse gas intensity (calculated by area)	0.026	0.029	0.036	tonnes of CO ₂ -e/ square meters
A1.3	Total hazardous waste produced⁷				
	Total amount of hazardous waste produced	3.89	5.57	7.74	tonnes
	Hazardous waste intensity (calculated by area)	17.7	25.2	35.0	tonnes/million square meters
A1.4	Total non-hazardous waste produced and (if applicable) intensity				
	Total amount of non-hazardous waste produced	5,871	3,293	1,582	tonnes
	Non-hazardous waste intensity (calculated by area)	5.11	4.01	3.12	tonnes/thousand square meters
Aspect A2: Use of energy					
A2.1	Total energy consumption				
	Direct energy consumption	6,851	8,836	11,023	MWh
	Indirect energy consumption	41,662	38,371	34,278	MWh
	Total energy consumption	48,513	47,207	45,301	MWh
	Energy intensity (calculated by area)	0.047	0.053	0.062	MWh/square meter
A2.2	Total water consumption				
	Total water consumption	718,253	662,616	500,450	cubic meters
	Water consumption intensity (calculated by area)	0.63	0.74	0.69	cubic meters/ square meters
A2.5	Total packaging materials used and intensity⁸				
	Total packaging materials used	0.36	0.53	1.62	tonnes
	Packaging materials intensity (calculated by area)	1.12	2.78	8.47	tonnes/million square meters

⁴ The reporting scope consists of South China Logistics Park, Nanjing Xiba Port, Shandong Booming Total Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub, Nanchang Integrated Logistics Hub and Guizhou Integrated Logistic Hub

⁵ The reporting scope consists of South China Logistics Park, Nanjing Xiba Port, Shandong Booming Total Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub and Nanchang Integrated Logistics Hub

⁶ The reporting scope consists of South China Logistics Park, Nanjing Xiba Port, Wahan Dongxihu Integrated Logistics Hub and Shenyang Integrated Logistics Hub.

⁷ Total hazardous waste produced and intensity includes data from the Nanjing Xiba Port only.

⁸ Total packaging materials used and intensity includes data from Shenzhen South China Logistics Park only.

SOCIAL PERFORMANCE

Distribution of employees		Number of employees						
		South China Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Nanchang Integrated Logistics Hub	Shandong Booming Total Logistics Park	Guizhou Integrated Logistics Hub	Nanjing Xiba Port
Gender	Male	81	4	9	3	24	3	225
	Female	71	2	9	0	20	0	43
Rank	Senior management	7	0	2	0	2	0	8
	Middle management	18	0	3	0	5	0	19
	General staff	127	6	13	3	37	3	241
Age	30 or below	36	1	5	1	9	2	51
	31 – 40	57	3	9	0	24	1	82
	41 – 50	46	1	4	2	10	0	67
	Over 50	13	1	0	0	1	0	68
Employment type	Full-time	152	6	18	3	44	3	268
	Part-time	0	0	0	0	0	0	0

Distribution of employees		Ratio of departing employees						
		South China Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Nanchang Integrated Logistics Hub	Shandong Booming Total Logistics Park	Guizhou Integrated Logistics Hub	Nanjing Xiba Port
Gender	Male	6.17%	0	77.78%	0	8.33%	0	3.56%
	Female	4.23%	0	0	0	10%	0	2.33%
Age	30 or below	5.56%	0	40%	0	22.22%	0	5.88%
	31 – 40	5.26%	0	55.56%	0	8.33%	0	3.66%
	41 – 50	4.35%	0	0	0	0	0	2.99%
	Over 50	7.69%	0	0	0	0	0	1.47%

Distribution of employees		Ratio of new employees						
		South China Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Nanchang Integrated Logistics Hub	Shandong Booming Total Logistics Park	Guizhou Integrated Logistics Hub	Nanjing Xiba Port
Gender	Male	11.11%	0	66.67%	0	8.33%	0	4%
	Female	11.27%	50%	11.11%	0	15%	0	2.33%
Age	30 or below	30.56%	100%	20%	0	11.11%	0	13.73%
	31 – 40	5.26%	0	55.56%	0	12.50%	0	3.66%
	41 – 50	2.17%	0	25%	0	10%	0	0
	Over 50	15.38%	0	0	0	0	0	0

OVERVIEW OF KEY PERFORMANCE INDICATORS

Operation location	Number of workers by job nature						
	Plumber and electrician	Greening worker	Security	Cleaning	Engineering	Clerk	Manager
South China Logistics Park	3	2	54	32	0	0	0
Wuhan Dongxihu Integrated Logistics Hub	0	0	0	0	0	0	0
Shenyang Integrated Logistics Hub	0	0	25	21	8	1	1
Nanchang Integrated Logistics Hub	0	0	15	5	7	0	0
Shandong Booming Total Logistics Park	0	0	7	4	0	0	0
Guizhou Integrated Logistic Hub	0	0	0	35	0	0	0
Nanjing Xiba Port	0	0	16	62	0	0	0

Occupational safety performance

Index

Number and percentage of work-related fatality	0
Number and percentage of work injury	5
Absentee days due to work injury	254

Distribution of employees		Number and percentage of training participants ⁹							Average training time (hour) ¹⁰						
		Wuhan			Shandong				Wuhan			Shandong			
		South China Logistics Park	Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Nanchang Integrated Logistics Hub	Booming Total Logistics Park	Guizhou Integrated Logistics Hub	Nanjing Xiba Port	South China Logistics Park	Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Nanchang Integrated Logistics Hub	Booming Total Logistics Park	Guizhou Integrated Logistics Hub	Nanjing Xiba Port
Gender	Male	81 (53.29%)	4 (66.67%)	9 (50%)	3 (100%)	24 (54.55%)	3 (100%)	225 (83.96%)	4.74	22	28	4	10	8	18.44
	Female	71 (46.71%)	2 (33.33%)	9 (50%)	0	20 (45.45%)	0	43 (16.04%)	4.56	22	29.33	0	10	0	18.84
Rank	Senior management	7 (4.61%)	0	2 (11.11%)	0	2 (4.55%)	0	8 (2.99%)	8	0	28	0	10	0	8.75
	Middle management	18 (11.84%)	0	3 (16.67%)	0	5 (11.36%)	0	19 (5.97%)	8	0	37.67	0	10	0	9.38
	General staff	127 (83.55%)	6 (100%)	13 (72.22%)	3 (100%)	37 (84.09%)	3 (100%)	241 (91.04%)	4	22	26.69	4	10	8	19.43

⁹ Percentage of training participants is calculated by number of specific type of employees trained over total number of employees trained.

¹⁰ Average training time is calculated by the total training hours of specific type of employees over total number of such type of employees.

OVERVIEW OF KEY PERFORMANCE INDICATORS

Locations of suppliers	South China Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Nanchang Integrated Logistics Hub	Shandong Booming Total Logistics Park	Guizhou Integrated Logistics Hub	Nanjing Xiba Port
Guangdong Province	8	0	0	0	0	1	1
Shandong Province	0	0	0	0	6	0	0
Hubei Province	0	2	0	0	0	0	2
Liaoning Province	0	0	4	0	0	0	1
Tianjin	0	0	1	0	0	0	2
Jiangxi Province	0	0	0	0	0	0	2
Jiangsu Province	0	0	0	0	0	0	89
Shanghai	0	0	0	1	0	0	5
Hebei Province	0	0	0	0	0	0	1
Jilin Province	0	0	0	0	0	0	1
Zhejiang Province	0	0	0	0	0	0	2
Beijing	0	0	0	0	0	0	4
Fujian Province	0	0	0	0	0	0	1
Henan Province	0	0	0	0	0	0	3
Number of suppliers implementing the relevant practices ¹¹					100%		
Total number of suppliers					137		

¹¹ Refers to suppliers selected with the Management and Selection Method for the List of Intermediary Agencies (《中介機構備選庫管理及選聘方法》) by the Group.

REPORT CONTENT INDEX

Main areas	Contents	Page index/ Remark
A Environment		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	10-12, 29
A1.1	The types of emissions and respective emissions data.	11, 30
A1.2	Total greenhouse gas emissions and intensity.	10, 30
A1.3	Total hazardous waste produced and intensity.	12, 30
A1.4	Total non-hazardous waste produced and intensity.	12, 30
A1.5	Description of measures to mitigate emissions and results achieved.	10-11
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives, and results achieved.	12
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	10, 13
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	13, 30
A2.2	Water consumption in total and intensity.	13, 30
A2.3	Description of energy use efficiency initiatives and results achieved.	13
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	13
A2.5	Total packaging material used for finished products and with reference to per unit produced.	14, 30
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	14
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	14

Main areas	Contents	Page index/ Remark
B Social		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	18, 29
B1.1 Recommended Disclosure	Total workforce by gender, employment type, age group, and geographical region.	31-32
B1.2 Recommended Disclosure	Employee turnover rate by gender, age group and geographical region.	31
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	19, 29
B2.1 Recommended Disclosure	Number and rate of work-related fatalities.	20, 32
B2.2 Recommended Disclosure	Lost days due to work injury.	20, 32
B2.3 Recommended Disclosure	Description of occupational health and safety measures adopted, how they are implemented and monitored.	19-20
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	21-22
B3.1 Recommended Disclosure	The percentage of employees trained by gender and employee category.	22, 32
B3.2 Recommended Disclosure	The average training hours completed per employee by gender and employee category.	32
B4 Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	18, 29
B4.1 Recommended Disclosure	Description of measures to review employment practices to avoid child and forced labor.	19
B4.2 Recommended Disclosure	Description of the steps taken to eliminate such practices when discovered.	19

Main areas	Contents	Page index/ Remark
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	15
B5.1 Recommended Disclosure	Number of suppliers by geographical region.	33
B5.2 Recommended Disclosure	Description of practices relating to engaging suppliers, number of suppliers to whom the relevant practices are implemented and how they are implemented and monitored.	15
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	16-17, 29
B6.2 Recommended Disclosure	Number of products and service related complaints received and how they are dealt with.	16
B6.5 Recommended Disclosure	Description of consumer data protection and privacy policies, how they are implemented and monitored.	17
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	17, 29
B7.2 Recommended Disclosure	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	17
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	23
B8.1 Recommended Disclosure	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	23-28
B8.2 Recommended Disclosure	Resources contributed (e.g. money or time) to the focus area.	23-28





Shenzhen International
深 國 際

Shenzhen International Holdings Limited
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