

LOGISTICS WITH ETHICS
FOR A BETTER WORLD

物流天下
德行天下



2023

環境、社會及管治報告

Environmental, Social and
Governance Report

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About this Report

This is the eighth Environmental, Social, and Governance Report (the "Report") released by Shenzhen International Holdings Limited ("Shenzhen International"). The Report is dedicated to elucidating Shenzhen International's policies, practices, and performance in the realms of environmental, social, and governance (ESG) for the fiscal year 2023. Its primary objective is to engage in candid communication with stakeholders on the methods and processes related to sustainable development, addressing the expectations and demands of various stakeholders.

Basis of Preparation

This Report adheres to all mandatory disclosure requirements and the "comply or explain" provisions outlined in Appendix C2 Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") to the *Rules Governing the Listing of Securities on the Main Board* of the Stock Exchange of Hong Kong Limited ("HKEX"). Additionally, it fulfills disclosure responsibilities with reference to the *SDG Compass* ("UN SDGs").

Title Clarification

For the sake of clarity, in this Report, terms such as "Shenzhen International", "we" and "(the) Company" all refer to "Shenzhen International Holdings Limited."

Scope of the Report

This Report covers the period from 1 January 2023 to 31 December 2023, with some extensions as appropriate, focusing on Shenzhen International and encompassing the business units and subsidiaries managed and operated by the Company. This Report does not include the information on the Shenzhen Expressway, Shenzhen Expressway is the subject of a separate ESG Report. In 2023, the Company significantly expanded its reporting scope from 29 operating sites in 2022 to 43 operating sites, effectively enhancing market transparency and ensuring information fairness.

Sources of Information

Unless otherwise specified, the financial data cited in this Report is sourced from audited financial statements included in the 2023 Annual Report. Other information and cases are derived from formal internal policies and relevant statistics within Shenzhen International. Unless stated otherwise, the reporting currency used in this Report is Renminbi (RMB).

Reporting Principles

This report adheres to the reporting principles of materiality, quantitative, balance, and consistency as outlined in the ESG Reporting Guide of HKEX.

Reporting Principles	Definition	Approach taken by the Company
<ul style="list-style-type: none"> Materiality 	The Report will focus on and disclose the ESG issues that have material effects on stakeholders of the Company.	Employing both online questionnaire survey and offline interviews to gather insights into the expectations and opinions of stakeholders, we have structured this Report accordingly to address their concerns effectively. For further details, please refer to the section titled "Stakeholder Engagement".
<ul style="list-style-type: none"> Quantitative 	KPIs in respect of historical data need to be measurable. The issuer is obligated to provide comparative data when appropriate.	The Company's social and environmental KPIs were sourced from the statistics of the relevant departments and were measured by a professional consulting firm in accordance with applicable international and national standards.
<ul style="list-style-type: none"> Balance 	This Report should objectively and fairly present the ESG performance of the Company, avoiding information that may mislead or create imbalances.	The Company adheres to a principle of neutral and comprehensive reporting, ensuring that when disclosing information, there is no undue emphasis on one aspect at the expense of overlooking other critical details.
<ul style="list-style-type: none"> Consistency 	The Report should employ consistent disclosure and statistical methods to ensure comparability of ESG data in the future.	The Company has adopted the same statistical methods as in previous years (where any changes will be noted) to facilitate stakeholders in comparing the Company's ESG performance over the years. For further details, please refer to the section titled "ESG Performance Indicators".

Confirmation and Approval

The Company is committed to ensuring that all information presented in the Report is accurate and reliable. After the review by Sustainability Committee, this Report has been confirmed and approved by the Board on 28 March 2024.

Report Access

This report is available in both Chinese and English versions for readers' reference. In case of any discrepancies, the Chinese version shall prevail. You can access the electronic version of this Report on the website of the Company at www.szihl.com for online reading or downloading. If you require a printed copy of the Report or have any comments or suggestions, please feel free to contact us through the following means:

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About Shenzhen International

Corporate Overview

Shenzhen International Holdings Limited is a company registered in Bermuda and listed on the HKEX (Stock Code: 00152.HK). The Company is directly and indirectly held as to approximately 44.25% equity interest by the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal through Shenzhen Investment Holdings Limited. Establishing itself as a "pace-setting state-owned enterprise dedicated to urban infrastructure development and operation", the Company balances economic and social benefits and strives to become a leading urban infrastructure developer and operator in China, aiming to deliver superior value for investors and provide comprehensive support for urban development. In addition to being recognized as a benchmark enterprise in the "Double-hundred action" launched by the State-owned Assets Supervision and Administration Commission of the State Council, Shenzhen International has also earned accolades such as outstanding Chinese logistics infrastructure company, national model transportation enterprise for management innovation, and national model logistics park. Furthermore, it has been included in the FTSE All-World Index, MSCI China ESG Leaders Index, Hang Seng Stock Connect China Enterprises Index, etc.

Business Segments

With a particular focus on major strategic regions such as the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei Economic Belt, and major logistics node cities, Shenzhen International has gradually built "Four Growth Engines" layout strategy with toll roads, logistics, ports, and general-environmental protection as its main businesses. Leveraging its traditional strengths in urban infrastructure development and operation, the Company strategically deploys the four major fields of "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure" through mergers and acquisitions, reorganizations, and integration, and devotes itself to establishing a comprehensive logistics ecosystem encompassing "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure" along with "Intelligent and Cold Chain Logistics". The Company also vigorously expands into niche markets in relation to "logistics + commercial functions", such as comprehensive land development, investments and related operations of general-environmental protection industry.

Shenzhen International Logistics Hubs

With a goal to establish itself as "the premier logistics integrated service provider in the Greater Bay Area and a top-tier player nationwide", Shenzhen International focuses its logistics business on the development and operation of high-standard warehouses and urban high-end logistics complexes, complemented by comprehensive logistics services including smart warehousing, cold chain logistics, supply chain finance, and third-party logistics. These endeavors efficiently meet the diverse needs of clients across various industries.

Shenzhen International Ports

Through over a decade of relentless efforts, Shenzhen International has gradually built a port network centered around Nanjing Xiba Port, with Jiangsu Jingjiang Port, Henan Shengqiu Port, and Jiangxi Fengcheng Port serving as crucial distribution nodes. This network constitutes a business system encompassing port investment and operation, supply chain operations, and maintenance management outputs, boasting a head start in the operation of dry bulk cargo terminals.

Toll Roads

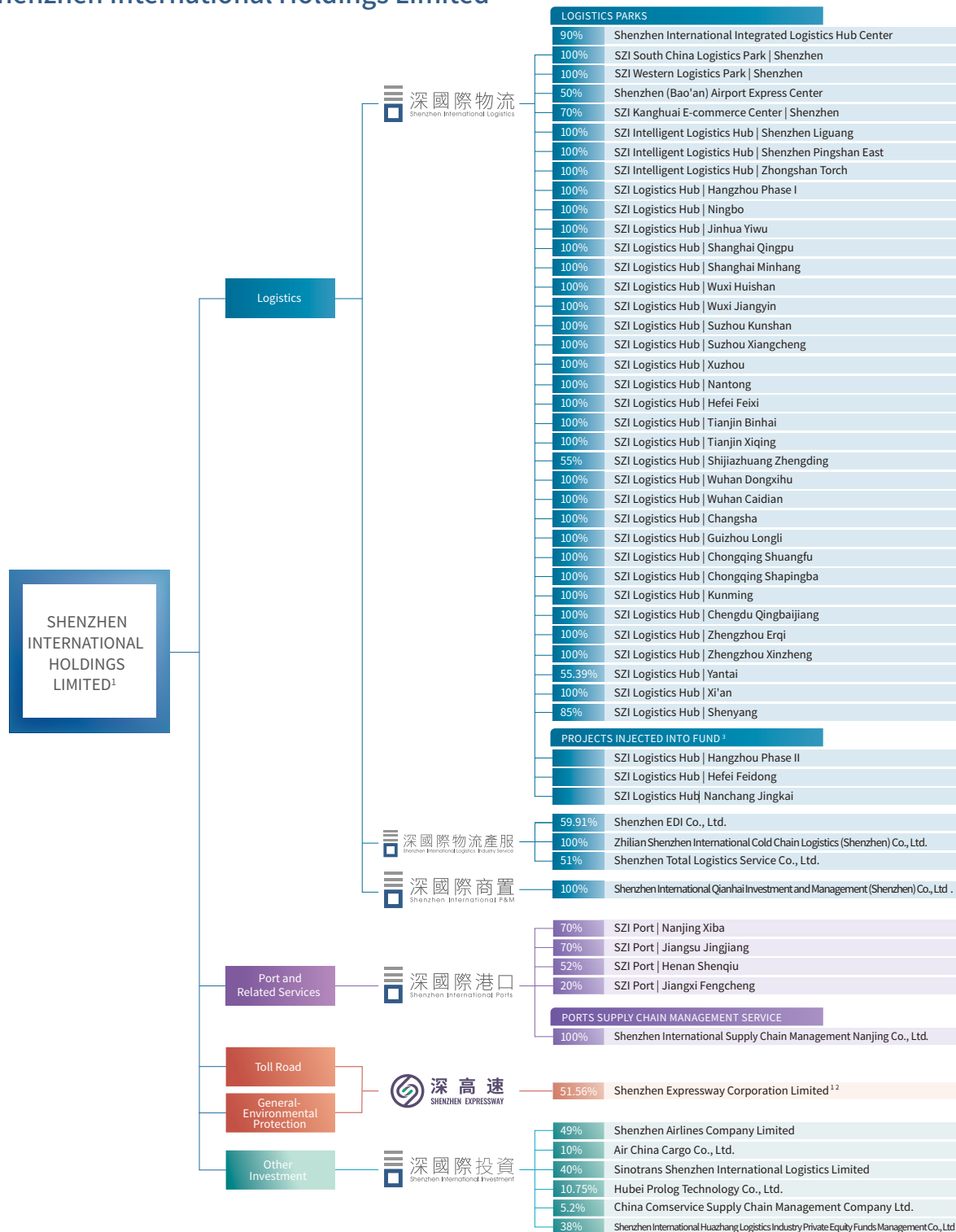
Shenzhen International's toll road business is managed and operated by its subsidiary, Shenzhen Expressway Group Co., Ltd. ("Shenzhen Expressway"), a listed company dedicated to constructing high-quality transportation infrastructure and providing safe, high-quality, and convenient transportation services. During the "14th Five-Year" strategic plan period, leveraging on business platform, Shenzhen Expressway will extend its toll road business upstream and downstream, develop service-oriented business such as Intelligent Traffic System, urban comprehensive service and industrial finance, and will be dedicated to becoming an integrated industry chain facilitator in the toll road field.

General-Environmental Protection

Shenzhen International's general-environmental protection business, managed by Shenzhen Expressway, focuses on market segments such as clean energy and solid waste recycling. Shenzhen Expressway focuses on building itself into a wind power industry chain integrated service provider, has emerged as a leading player nationwide in daily treatment capacity for kitchen waste and is vigorously expanding into the recycling of retired vehicles and new energy batteries, as well as industrial environmental protection services. Through concrete actions, Shenzhen International serves as a guardian of ecological sustainability.



Shenzhen International Holdings Limited¹



Corporate Structure of Shenzhen International Holdings Limited⁴

¹ Listed company in Hong Kong

² Listed company in the PRC

³ SZI Logistics Hub (Hangzhou Phase II), SZI Logistics Hub (Hefei Feidong) and SZI Logistics Hub (Nanchang Jingkai) are held by Shenshi Smart Logistics Infrastructure Private Equity Partnership (Limited Partnership), a joint venture held by the Company as to 40% equity interest.

⁴ The simplified corporate structure of the Company only included corporate entities and projects which are in operation as at 31 December 2023.

Key Performance Highlights for 2023

Governance Performance

The number of legal proceedings related to unfair competition and antitrust issues in which the Company was involved:	Proposed or concluded legal cases regarding corrupt practices:	Coverage of anti-corruption training provided to contractors:
0	0	100%

Environmental Performance

The total amount of used renewable energy is	The replacement rate of water-saving appliances in operation parks in Shenzhen:
820,382 kWh	100%
Over 130 new energy vehicle charging piles and over 180 new energy vehicle charging guns are put into use across parks in Xi'an, Changsha, Kunming, Guiyang and Chongqing, etc.	which are expected to effectively reduce over 1,100 tonnes of carbon dioxide emissions each year

Social Performance

The labor contract signing rate stood at	The number of negative incidents arising from products and services:
100%	0
Four rounds of third-party unannounced inspections were conducted on 142 units and 30 <i>Notification on Remediation of Hidden Hazards</i> were issued. The remediation rate of non-conformities in each unit exceeded	Totally applied for
99%	6 new patents
The coverage rate of production safety training (including contractors) reaches	and had 13 new granted patents
100%	
The total charitable expenditure for the year amounted to RMB	
311,600	

Corporate Honors



Accolades received by Shenzhen International in 2023

Benchmark Enterprise for High-Quality Development in the Guangdong-Hong Kong-Macao Greater Bay Area

2023 Responsibility Bull Award for Environmental Excellence

First Prize for Innovative Achievements in Corporate Green Development

Shenzhen International East China Smart Logistics Hub in Hangzhou City, Zhejiang Province (Shenzhen International Logistics Hub | Hangzhou) recognized as a national-level exemplary logistics park

One of the top ten exemplary cases for "Serving the Development of the Greater Bay Area"

Ranked 13th in the Social Responsibility Vanguard 100 Index for Local SASAC and State-Owned Enterprises

Shenzhen International Modern Urban Logistics Hub Co., Ltd. awarded AAA grade Comprehensive Service Logistics Enterprise

Shenzhen International Logistics Development Co., Ltd. recognized as "Branded Enterprise in the Logistics and Supply Chain Industry"

Greater Bay Area State-Owned Enterprise ESG Development Index

Exemplary Case in the *Research Report on Corporate Social Responsibility of Local SASAC and State-Owned Enterprises (2023)*

Shenzhen International Logistics Development Co., Ltd. honored as "Outstanding Contribution Enterprise in the Logistics and Supply Chain Industry"

Shenzhen International Logistics Development Co., Ltd. recognized as a pioneer enterprise in full-chain ESG green logistics in China

Key Events in 2023

Spotlight on 2023

February

Shenzhen EDI Co., Ltd was selected as one of the "Top 10 Smart Port Powers"

Shenzhen EDI Co., Ltd. made significant contributions to the smooth logistics and stable foreign trade by implementing targeted response solutions. As a result, it was successfully selected as one of the "Top 10 Smart Port Powers" in the "Annual Top 100 List of China Shipping Industry". This recognition once again solidifies its position as a benchmark in the regional construction of digital and intelligent industry.

March

The Shenzhen International Postdoctoral Innovation Practice Base was officially launched and put into operation

The inauguration ceremony of the Shenzhen International Postdoctoral Innovation Practice Base and the official launch of the Shenzhen International Innovation Development Center were successfully held at the Shenzhen Industrial Innovation Center for State-owned Assets and Enterprises. This event provided an important platform for attracting high-level scientific and technological young talents and accelerating the transformation of innovative achievements.

June

Shenzhen International Integrated Logistics Hub Center (The Pinghunan Project) contributed to the development of logistics in Shenzhen

Shenzhen International's subsidiary, Shenzhen Municipal Shenzhen International Railway Logistics Development Company Limited obtained the first national land of railway freight yard used for industrial space for overhead development. This space will be used to create the first Shenzhen International railway hub logistics port. The project introduced a novel compound development model of "building logistics parks on top of railroads + building rights division on different floors", which is a pioneering approach nationwide. In the future, this project will become the first logistics project in Shenzhen with a single capacity calculation based on an 11-meter floor height, accelerating the construction of a global logistics center in Shenzhen.



Shenzhen International Integrated Logistics Hub Center

October

Shenzhen International won the "2023 High-Quality Development Enterprise in the Guangdong-Hong Kong-Macao Greater Bay Area"

As a leading company in logistics infrastructure development and operation in the Guangdong-Hong Kong-Macao Greater Bay Area, Shenzhen International Holdings Limited has consistently leveraged its expertise and actively fulfilled its mission. It has been recognized as a benchmark enterprise for high-quality development in the Guangdong-Hong Kong-Macao Greater Bay Area.

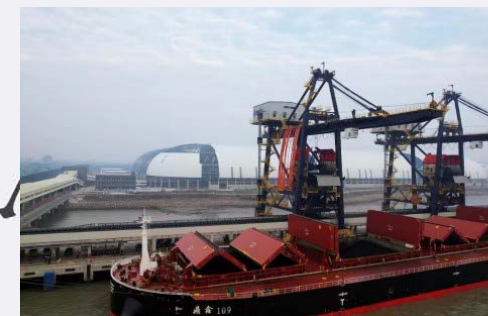


Award Presentation Ceremony

December

Shenzhen International Jingjiang Port officially commenced operation

The technology of prefabricated cross beams was successfully applied in the Jingjiang Port project of Shenzhen International for the first time. It is equipped with intelligent logistics handling and conveying systems, intelligent unmanned operation, fully enclosed dry coal sheds, photovoltaic power generation, and other intelligent and environmentally friendly equipment. The port has been developed into a modern intelligent logistics hub base that integrates environmental protection, intelligence, and energy efficiency.



Shenzhen International Jingjiang Port Project

Chairman's Statement

2023 is not only an extraordinary year but also a year full of challenges. Faced with a complex and severe external environment, Shenzhen International has always faced difficulties with courage and determination, advancing in the path of high-quality development while shouldering ESG responsibilities. Holding on to the core spirit of "Logistics with Ethics, for a Better World", the Company thoroughly implements the concept of sustainable development, responds to the national "carbon peaking and carbon neutrality" strategy, continuously improves the system of sustainable development governance, actively fulfills our social responsibilities, and implements our operating philosophy of "Building Value, Sharing Future". We will collaborate with all stakeholders to contribute extraordinary value to the society, the economy, and the environment.

Adhering to Compliance and Stable Development

Shenzhen International persistently conducts compliant business, continuously improves corporate governance, and deepens employees' awareness of fair competition and business ethics. We are committed to building an honest and transparent business environment. This year, we established the Compliance Management Committee to guide, supervise and evaluate compliance management work of the Company, and call for management of the Company to take the lead to sign the *Management's Commitment to Compliance*. We integrated sustainable development into daily operational management by establishing a three-level management structure of the Board, the Sustainability Committee and the ESG Working Group, which is continuously improving the level of ESG governance of the Company. In addition, we established effective and diverse channels of communication with stakeholders, conducted surveys on significant issues, and applied the survey results to improve our sustainable development strategies. This provides clear direction for the sustainable development of the Company.

Craftsmanship and Excellent Service

Shenzhen International adheres to its original mission, emphasizing the fundamental importance of quality. With innovation as the driving force, we accelerate the expansion of our main business, promote elevation of business model, systematically establish a comprehensive logistics ecosystem encompassing "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure" along with "Intelligent and Cold Chain Logistics", accomplish the united construction of comprehensive management platform for intelligent park operation, successfully elevate innovation of the Company's business. We strive for excellence and pursue quality relentlessly. We continuously improve our product quality management system, conduct comprehensive quality inspections and assessments throughout the entire process, implement Quality Management System Certification of ISO 9001 and strictly control product quality. Our aim is to ensure customer satisfaction by understanding their genuine needs, standardizing service standards, guaranteeing service quality, and enhancing customer satisfaction with our products and services. In 2023, the Company's customer satisfaction reached 95.89 points.

Low-carbon Development and Ecological Protection

Shenzhen International deeply integrates the concept of sustainable development into its business operations. We actively respond to the national "carbon peaking and carbon neutrality" policy, promote green transformation, and continuously improve our environmental management system. We are dedicated to creating green logistics parks and ports. Through green building certification, we continuously optimize construction of park intelligent system, incorporate photovoltaic power generation into development strategy, adopt multiple effective measures such as green construction, and project management and control for the entire process to actively protect biodiversity and the surrounding environment and operate project in a harmonious way with the nature to strive to minimize our impact on the environment. The Company's Nanjing Xiba Port project has fully covered the shore power supply connection devices, which contributes to energy conservation and emission reduction in barges and reduces pollutants emission. In addition, we have plans to gradually conduct climate change risk identification and response, striving to enhance the Company's capacity for sustainable development and tackling climate change.

People-oriented and Cohesive

Taking safeguarding the legitimate rights and interests of employee as the bottom line, Shenzhen International is committed to protecting employee's human rights with the highest standards, and strives to create an equal and inclusive working environment. Through continuously complementing the promotion and training mechanism for employees, we not only help them realize their personal values and ideals, but also lead and drive the comprehensive development of talents at all levels and types. We also foster a cohesive force for the development of the Company by establishing multiple communication channels to listen to employees, building a mechanism for caring for employees, providing employees with competitive compensation and benefits, and conveying humanistic care with the warmth of the Company. In the process of operation, we hold tight on the concept of "Safety first, emphasis on prevention", continuously improve the safety management system, strengthen safety control measures, and take efficient actions to ensure the occupational health and safety and production and operation safety of the employees, laying a solid foundation for the sustainable development of the Company.

Heartwarming Feedback and Harmonious Co-construction

Shenzhen International actively builds a cooperative and win-win industry ecosystem, focuses on national strategic goals, and shoulders social responsibilities. We promote the concept of sustainable development to our upstream and downstream partners, driving the ecological construction of responsible supply chains. We also regard industrial communication and cooperation as an important driving force for promoting the Company's progress, continuously increase cooperation with relevant parties, and work together with them to seek new development in the logistics industry. As a state-owned enterprise, we always have our social obligations in our minds. We are actively dedicated to social welfare projects, focusing on rural revitalization strategies and engaging in targeted assistance. Leveraging industrial support as a starting point, we implement multiple measures such as providing public facilities and supporting agricultural development to help improve the livelihoods of villagers and contribute to common prosperity. In the meantime, we leverage our industrial advantages to collaborate with Sinotrans

to establish the Shenzhen-Europe Express Rail, actively participating in the "Belt and Road" construction. Up to now, the Shenzhen-Europe Express Rail has run 554 times in total, with a cumulative freight volume of more than 50,000 TEUs, a total value of more than 1.7 billion U.S. dollars, and involving 41 countries along the "Belt and Road", which makes continuous contributions to regional economic integration and economic, trade and cultural exchanges.

As we navigate through the currents, those who are determined to forge ahead take the lead. Unity and cohesion are essential for steady progress. Shenzhen International will continue to be guided by the principles of sustainable development, advancing with unwavering confidence and solid steps. We will persistently promote the development of green logistics and port systems, improve employee welfare and care, fulfill our social responsibilities, and strive to become a benchmark enterprise that creates outstanding social value, providing a continuous driving force for sustainable social development.

Chairman of the Board of Directors
Li Haitao

1 Shared Responsibilities Lead Us Steady and Farther

Shenzhen International adheres to the corporate spirit of "Logistics with Ethics, for a Better World", relying on its advantages in logistics facilities and services and is committed to promoting the business philosophy of "Building Value, Sharing Future". We adhere to compliance management, carefully establishing a comprehensive risk management system, strictly adhering to business ethics and integrity principles, and continuously strengthening measures to protect intellectual property and information security. We maintain mutually beneficial interactions with stakeholders and integrate sustainable development into our daily business operations. With sound corporate governance, we aim to drive the healthy, long-term, and stable development of the Company.



Obligation Performance

- No lawsuit alleging corruption has been filed.
- Throughout the year, 13 special audits were conducted, and 48 on-site audits were conducted in subsidiaries.
- 6 new patent applications and 13 new granted patents.

Response to ESG major issues in this chapter

- Business ethics and anti-corruption
- Risk management
- Stakeholder engagement
- Corporate governance
- Data security and privacy protection
- Intellectual property protection

Response to relevant SDG issues in this chapter



Corporate Governance

The Company strictly complies with the Bermuda Companies Act, the requirements of the *Rules Governing the Listing of Securities* on the HKEX, and other applicable laws and regulations. Taking into consideration the Company's actual situation, we have established a standardized, independent, and diversified governance structure to regulate the Company's operations. The Board of Directors and senior management strictly fulfill their responsibilities and exercise their rights in accordance with the *Memorandum and Bye-laws* and the *Board's Rules of Procedure*, while fully leveraging the role of committees and independent directors. This effectively implements corporate governance, safeguarding the interests of shareholders and the Company.

Board Governance

The Board of Directors of the Company is composed of various committees, including the Executive Committee, the Sustainability Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee. The Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee are all chaired by independent non-executive directors to maintain the independence and effectiveness of the committees and safeguard the legitimate rights and interests of the Company and its shareholders. The Board is committed to continuously improving the corporate governance system of the Company. It is responsible for leading the development of the Company, establishing strategic objectives, and ensuring that the Company has the necessary financial and other resources to achieve its established strategic goals.

Shenzhen International is committed to achieving board diversity and has formulated the *Board Member Diversity Policy*, which explicitly considers various aspects of the board member diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, and knowledge when composing the Board. The Nomination Committee is responsible for promoting and overseeing the implementation of board member diversity goals. The implementation progress of board diversity will be disclosed annually in the *Corporate Governance Report*, and the *Board Member Diversity Policy* will be periodically reviewed. By end of 2023, the Board of Shenzhen International comprises 7 members, consisting of 4 executive directors and 3 independent non-executive directors. In March 2024, the Company appointed one female director, aiming at enhancing gender balance in the Board, showing Shenzhen International's commitment to building a more diversified Board.



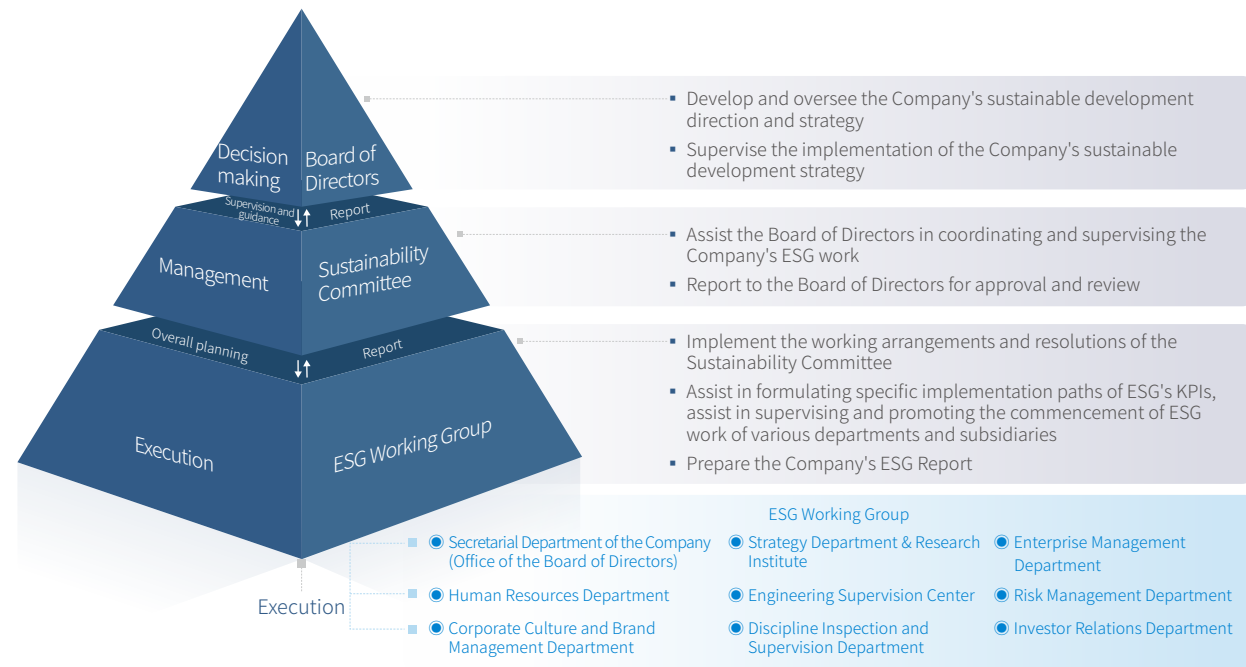
Sustainable Development Management

Shenzhen International elevated sustainable development to the strategic level and established a robust ESG governance framework. The Sustainability Committee was set up at the Board level to clearly define the responsibilities and division of labor for ESG management at all levels. This would comprehensively promote the ESG governance work of the Company.

ESG Governance Structure

The Company has established a three-tier ESG governance structure encompassing environmental, social, and governance aspects, which is as follows:

Shenzhen International's ESG governance structure



Board Statement

The Company integrates ESG management into its operations and establishes a three-tier management structure encompassing the Board of Directors, the Sustainability Committee management and the ESG Working Group to drive continuous improvement of the Company's ESG governance level. In accordance with the requirements of the HKEX's *Environmental, Social, and Governance Reporting Guide*, we make the following statement:

The Board of Directors exercises supervision over ESG matters

As the highest governing body of the Company, the Board of Directors bears overall responsibility for the sustainable development direction and strategy of the Company. According to the *Rules of the Board of Directors of Shenzhen International Holdings Limited*, the Board of Directors is responsible for approving significant matters related to sustainable development, ecological conservation, social responsibility, and major employee rights and interests.

The Sustainability Committee has been set up under the Board of Directors, which is responsible for providing recommendations to the Board of Directors regarding sustainable development matters within the Company, including management policies, strategies, priorities and goals. The committee also oversees, reviews, and evaluates the priorities and targets adopted by the Company to implement sustainable development. Additionally, it assesses the effect and impacts of the Company's ESG governance.

The Board's ESG policies and strategies

The Board of Directors attaches importance to the potential impacts of ESG-related risks and opportunities, and participates in the evaluation of the importance of various ESG risks. The Board identifies key ESG issues and strategic priorities for managing ESG matters. In line with the key areas of ESG risk management, the Board establishes appropriate and effective mechanisms for ESG risk management and internal oversight. It regularly reviews and monitors the progress of ESG initiatives and works towards continuous improvement and enhancement of the ESG management.

The Board reviews progress against ESG targets

Based on the Company's business, the Company has developed qualitative and quantitative indicators to measure its performance on ESG matters. These indicators cover areas such as climate change, biodiversity, resource usage, product responsibility, human capital, community relations, corporate governance, and corporate behavior. As authorized by the Board, the Company conducted ESG data collection and disclosure for 2023. The progress and achievements of the Company's ESG initiatives in 2023 are detailed in this Report. This Report has been reviewed and approved for release by the Board of Directors.

Stakeholder Engagement

The Company has established diverse mechanisms for communication with its stakeholders, utilizing channels or methods such as reports, meetings, questionnaire surveys and internal OA (Office Automation) to gain in-depth understanding of their needs and to fully provide responses. The Company strives to maintain long-term partnerships with key stakeholders and foster mutually beneficial and positive interactions.

Communication with Shenzhen International's Stakeholders

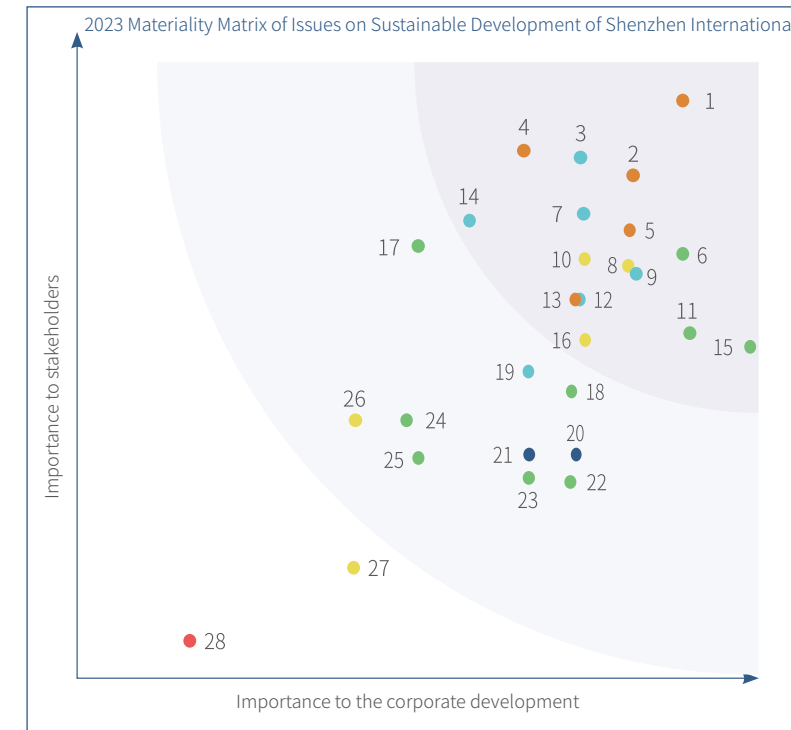
Stakeholder	Stakeholders' Demands	Communication Mechanisms
Government and regulatory authorities	<ul style="list-style-type: none"> Stable logistics supply Pay taxes according to laws Promotion of harmonious economic and social development 	<ul style="list-style-type: none"> Submission of information and statistical reports Engaging in exchange visits Participation in government-organized industry conferences and forums
Shareholders and investors	<ul style="list-style-type: none"> Corporate governance standards Stable results growth Compliance and risk management 	<ul style="list-style-type: none"> Fulfilling legal and regulatory compliance requirement for information disclosure Conducting results roadshows and other communication activities Publishing regular reports, holding earnings presentations, investor communication meetings, and shareholders' general meetings
Directors and management	<ul style="list-style-type: none"> Corporate governance Compliance risk Sustainable operations 	<ul style="list-style-type: none"> Regular board meetings Periodic reporting
Customers	<ul style="list-style-type: none"> Providing safe, environmentally friendly and high-quality products and services Conducting business with integrity 	<ul style="list-style-type: none"> Continuous exchange and visits for communication Customer satisfaction surveys
Employees	<ul style="list-style-type: none"> Salary and benefits security Health and safety Fair promotion and development opportunities 	<ul style="list-style-type: none"> Establishment of labor union organizations Regular meetings and daily communication Employee opinion surveys and "Idea Contribution" activities Organizing various communication activities and training sessions
Suppliers and partners	<ul style="list-style-type: none"> Adherence to commitments Fair, just and open procurement Win-win cooperation 	<ul style="list-style-type: none"> Regular business communication meetings Communication regarding agreements and contracts Periodic on-site visits Organizing partner training sessions
Industry associations and organizations	<ul style="list-style-type: none"> Win-win cooperation Contribution of corporate experiences 	<ul style="list-style-type: none"> Participation in industry exchange meetings Sharing management experiences and technical standards
Community and the public	<ul style="list-style-type: none"> Driving community economic development Concerns for vulnerable groups Protecting the community environment Information disclosure 	<ul style="list-style-type: none"> Establishing community communication mechanisms, actively engaging in dialogues with the community for communication Organizing volunteer support activities Conducting propaganda and education campaigns Fulfilling disclosure obligations, enhancing information disclosure

Management of Material Issues

In the current year, with the assistance of a third-party independent organization, we distributed questionnaire surveys to various internal and external stakeholders, including directors, management, employees, shareholders and investors, customers, suppliers and business partners. Through the survey on material issues, we aim to understand the sustainability issues that stakeholders are most concerned about. This will help guide the management and disclosure direction of sustainability affairs within the Company.

Our steps for analyzing material issues are as follows:

Process for the determination of material issues by Shenzhen International



● Environment ● Employee ● Supply chain and partners
● Customers ● Community ● Governance



List of Material Issues for Shenzhen International in 2023		
Highly important issues		
Issue ranking	Issue category	Material issues
1	Employee	Compliant employment
2	Employee	Occupational health and safety
3	Customer	Product quality and safety
4	Employee	Employees' rights and benefits
5	Employee	Employee training and development
6	Environment	Environmental protection
7	Customer	Intellectual property protection
8	Governance	Commercial ethics
9	Customer	Data safety and privacy protection
10	Governance	Risk management
11	Environment	Water use and wastewater management
12	Customer	Customer relations and satisfaction
13	Employee	Employee diversity and equal opportunities
14	Customer	Innovative development
15	Environment	Tackling climate change
16	Governance	Corporate governance

List of Material Issues for Shenzhen International in 2023		
Ordinarily important issues		
Issue ranking	Issue category	Material issues
17	Environment	Waste management
18	Environment	Use efficiency of raw materials
19	Customer	Responsible marketing
20	Supply chain and partners	Supply chain management
21	Supply chain and partners	Responsible purchasing
22	Environment	Rational development and biodiversity protection
23	Environment	Development of green buildings
24	Environment	Energy efficiency
25	Environment	Reduction of greenhouse gas emissions and air pollutants
26	Governance	Stakeholder engagement
27	Governance	Green finance
28	Community	Community investment

List of Material Issues for Shenzhen International in 2023

Compliant Operation

Shenzhen International strictly complies with relevant national and industrial laws and regulations. We continuously improve internal risk control and compliance management systems and measures, adhere to business ethics and integrity standards, ensure that our operation and development meet compliance requirements, and achieve a steady and sound development.

Risk Management

Shenzhen International has established a series of internal risk management systems and policies, including the *Regulations on the Internal Control System Evaluation and Management*, the *Internal Control System*, the *Comprehensive Risk Management Regulations*, the *Work Guidelines for the Risk Control Committee*, the *Significant Risk Assessment Plan*, etc. We continuously refine the risk management framework, standardize risk assessment and management processes, regularly identify, evaluate, and respond to internal and external risks within the Company and minimize the impact of negative factors.

Risk Management Framework

The Company continuously improves its risk management framework and has established a three-tier risk prevention and control system with "Board of Directors, the Audit Committee and Management - Risk Management Department and Risk Control Committee - Subsidiaries" as the core, as well as three risk defense lines with "Audit Department/Supervision Department - Risk Management Department - Functional Departments of Subsidiaries/the Headquarters" to continuously enhance and strengthen risk identification, monitoring and prevention. In 2023, we established Compliance Management Committee to guide, supervise and evaluate compliance management work of the Company, and call for management of the Company to take the lead to sign the *Management's Commitment to Compliance*. The Audit Committee under the Board of Directors, as the highest decision-making body in the Company's risk prevention and control system, bears the ultimate responsibility for enterprise risk management. The Risk Management Department of the Company has submitted the relevant reports on internal control and risk management evaluation to the Audit Committee on time during the year and has organized regular meetings of the Risk Control Committee.

Risk Management Mechanism

To establish a long-term effective risk management mechanism and enhance the Company's ability to handle routine risks, major risks and outburst risks, Shenzhen International has established a risk management process that runs throughout the Company and its subsidiaries. Through six major steps, the Company effectively manages its risk conditions, laying a foundation for risk management supervision and improvement.



Major Risk Assessment Procedures

This year, Shenzhen International conducted a major risk assessment for 2023, identifying significant risks such as engineering construction risks, policy risks, legal and compliance risks, and human resources risks. In addition, ESG risks are one of the important risk categories that we focus on in our major risk assessment. The identified important ESG risk issues such as climate change, use of energy and resources, employment of employee, and supply chain risks have been included in our regular internal risk assessment and monitoring processes. We manage and control these risks through risk avoidance, risk transfer, risk reduction, and other strategies.

Internal Control Audit

Shenzhen International adheres to a steady and progressive approach, focusing on identifying potential risks. We comprehensively carry out various internal and external audits for the Company. We establish internal control management documents around key business areas, core business processes, critical control environments, compliance evaluation standards, and other dimensions to achieve full coverage of the Company's internal control system. We also engage third-party companies to review our internal control processes, enhancing the compliance of the Company's operations.

In 2023, the Company's internal control audit covered key processes such as contract management, procurement management, park operation management, and engineering management. A total of 13 special audits were conducted throughout the year, including 6 audits within plans and 7 audits outside plans, and 48 on-site audits in subsidiaries.



Practical Training for Compliance System Construction and Compliance Management Checklist

On 29 November 2023, Shenzhen International conducted a practical training session on compliance system construction and compliance management checklist. Through policy interpretation, case analysis, and sharing of practices, the training aimed to help employees to be clear about the requirements related to compliance construction and the methods for creating a compliance checklist. This training laid a solid foundation for the implementation of compliance work.



Practical Training for Compliance System Construction and Compliance Management Checklist



Business Ethics Management

Shenzhen International is committed to building an image of integrity and civilization. We adhere to the basic principles of "combining punishment and prevention, emphasizing prevention, protecting whistle-blowers, and avoiding the participation in investigation for conflict of interests". We continuously deepen employees' sense of fair competition and business ethics. Our goal is to create a clean and transparent business society.

Management System Building

The Company strictly adheres to relevant laws and regulations such as the *Criminal Law of the People's Republic of China* and the *Company Law of the People's Republic of China*. We have formulated anti-bribery and anti-corruption policies such as the *Anti-Fraud Management Measures*, the *Risk Prevention and Control Guidelines for Working with Integrity*, and the *Confidentiality Management Regulations for Disciplinary Inspection and Supervision Work* to clarify the contents of anti-corruption, anti-bribery, whistle-blower protection principles, fraud risk identification and assessment, etc. We also ensure that at least every three years, the Company's ethical standards, anti-corruption policies and business behaviors within the whole scope of operation of the Company are evaluated and audited.

Shenzhen International has established a top-down anti-corruption and anti-fraud management system. The Board of Directors, as the highest governing and responsible body, regularly receives and reviews reports on anti-corruption and anti-fraud efforts provided by the Party Committee, the Discipline Inspection Commission, and the Department of Discipline Inspection and Supervision to ensure effective implementation of the relevant systems and policies.

To firmly uphold the Company's business ethics and foster a culture of integrity and cleanliness within the industry, for its employees, Shenzhen International requires department heads, sector leaders, and leaders of subsidiaries to sign the *Letter of Responsibility for Targets of Party Conduct and Clean Governance Construction* every year. They are also required to provide annual reports on their performance and integrity, assuming primary responsibility for the anti-corruption and anti-fraud work in their respective departments or subsidiaries. Regarding external partners, Shenzhen International signs the *Anti-Commercial Bribery Agreements* with investors, business partners, etc. to build an environment of clean and ethical conduct. Shenzhen International also requires all suppliers to have anti-corruption policies and conducts regular reviews to verify their compliance.

Key Performances

The Company **did not** experience any corruption-related litigation cases.

Whistle-blowing Acceptance Mechanism

To strengthen the acceptance of internal and external reporting, protect whistle-blowers' personal safety, and effectively combat corruption and bribery, Shenzhen International revised the *Policy for Reporting Misconduct* in 2023 to clarify the scope of application, whistle-blower protection, reporting channels and forms, investigation procedures, etc. Shenzhen International accepts anonymous reports, but also encourages real-name reporting. Multiple reporting channels, such as e-mail address and physical mailbox, are provided to collect a wide range of reports from all employees of the Company and relevant parties dealing with the Company. Moreover, the Company resolutely protects the personal safety and privacy of whistle-blowers. We strictly safeguard the confidentiality of their identities, protects their basic rights and interests from infringement, and prohibits any form of threats or retaliatory actions. If any wrongdoing is identified, disciplinary actions will be taken in a responsible and effective manner to address corruption, bribery, and other misconduct.

Business Ethics and Anti-Corruption Training

To foster a clean and upright corporate atmosphere, enhance the theoretical attainment and anti-corruption awareness of the management, and strengthen employees' awareness of prevention of legal risks, Shenzhen International conducts annual anti-corruption training and ethical education for all directors, employees (including full-time and part-time employees), and contractors. In 2023, we took various initiatives to encourage employees and partners to internalize honesty and discipline and business ethics as daily and unconscious code of conduct by disciplinary education and learning months, specialized training sessions, integrity lectures, vow of integrity, and sending honesty warning messages.

In 2023, Shenzhen International conducted a total of 30 training sessions, including Party conduct and clean governance construction conferences, specialized lectures during the disciplinary education and learning month, and large-scale lectures. Additionally, warning education videos were watched a total of 8 times. These training sessions and activities covered all directors, employees (including full-time and part-time employees) and contractors.

Solemn Vow of Integrity Event

On 21 September 2023, Shenzhen International organized an Integrity Development and Vow of Integrity Event for young employees and organized the viewing of the integrity education warning video titled "Typical Warning Cases of State-Owned Enterprises Relying on Enterprises to Seek for Personal Gains". Approximately 55 newly hired employees participated in the event. The purpose of the event was to guide new employees to cultivate a sense of self-dignified, self-examination, strictly adhere to laws and regulations, strengthen their awareness of resisting corruption and lay a solid foundation for no courage to be corrupt.



Solemn Vow of Integrity Event

Special Study Session on Clean Governance

On 9 October 2023, Shenzhen International held a Special Study Session on Clean Governance. The session was attended by over 320 participants, including the Company's senior executives and department heads. The theme of the session was "Thoroughly Strengthening Party Self-discipline - Resolutely Winning the Tough Battle Against Corruption" to warn leading cadres to build a strong ideological defense line and to hold the bottom line of integrity.




Special Study Session on Clean Governance

Intellectual Property Protection

Shenzhen International strictly adheres to the requirements of laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. We protect our intellectual property rights, including patents, copyrights, and trademarks, through patent applications and other means. We also respect the intellectual property rights of our partners and have established the *Genuine Software Licensing Management Measures* to strengthen the management of software licensing within the Company. In 2023, we enhanced the management of the Company's intellectual property. We reviewed the registration status of intellectual property rights, strengthened the tracking and management of post-patent application matters, and continuously improved the intellectual property protection.

Key Performances

 Shenzhen International had 6 new patent applications	Shenzhen International had 13 new granted patents
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Information Security Protection

Shenzhen International strictly adheres to laws and regulations such as the *Personal Information Protection Law of the People's Republic of China* and the *Cybersecurity Law of the People's Republic of China*. Additionally, we have formulated the *Group Information Security Management Measures* by reference to these regulations to ensure the secure and stable operation of its information systems.

The Company has set a network security goal of "zero network security incident throughout the year". This goal covers the Company's headquarters, various business sectors, and directly managed enterprises. The Company has established an information security risk management and assessment system to clarify information security management organizations and duties, security inspection requirements, emergency prevention measures, risk assessment and management processes, and information security training regulations. By implementing these measures, the Company can reasonably evaluate and control network risks, strengthen its network security defense lines, and ultimately contribute to the achievement of the network security goal.

In 2023, Shenzhen International continuously improved its network infrastructure construction and completed the rectification and optimization of its intranet security. It enhanced its intranet security defense capabilities through network architecture transformation and additional devices such as network access controls, log auditing, intranet firewalls, and private cloud protection. Shenzhen International achieved "zero incidents" in network security for four consecutive years, and was honored with the title of "2023 Security Model Project in the Smart Government Affairs Industry". Additionally, Shenzhen International successfully passed five network security attack and defense drills, including "Deep Blue 2023," "Yue Shield 2023," and "Yue Network Security," organized at the national, provincial, and municipal levels.

Furthermore, the Company places great importance on cultivating employees' awareness of network and information security. During the onboarding process, we sign information security confidentiality agreements with employees and provide orientation training to communicate the Company's network and information security management requirements to new employees. In addition, we regularly provide information security technology training to personnel responsible for information security, aiming to enhance their information security management and maintenance level to eliminate potential network security risks.

2 Sharing with the World the Quality and the Intelligence of Our Products

Shenzhen International strives to be a prominent state-owned enterprise supporting the development of the city. We always adhere to the development concept of long-term orientation, continuously solidifying our foundation and expanding our advantages by fastening the completion of business model of port and Intelligent and Cold Chain warehousing, improving our core operating ability, enriching the comprehensive logistics ecosystem encompassing "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure" along with "Intelligent and Cold Chain Logistics", and with greater efforts, promoting the high-quality development of logistics business. We deeply understand the responsibilities on our shoulder, and are therefore committed to building our foundation on product quality, driving our growth through innovation, and making customer satisfaction our ultimate goal, in a bid to tailor-made products and services that truly satisfy our customers. It is our goal to create more values for our customers and to prepare for the Company's long-term development.



Craftsmanship and Quality

The Company continuously improves its product quality management system, conducts comprehensive quality inspections and assessments throughout the entire process, and strives to promote business innovation and development. We rigorously ensure the quality of our projects and products, aiming to enhance customer recognition and satisfaction with the Company's products.

Product Quality Management System

Shenzhen International strictly abides by applicable quality management laws and regulations, such as the *Product Quality Law of the People's Republic of China*. The Company has established management regulations, including the *Engineering Supervision Management Measures*, *Engineering Unannounced Inspection Work Guidelines*, *Engineering Completion Acceptance Supervision Work Guidelines*, and the *Engineering Quality Management System*, to clarify the engineering supervision responsibilities, standardize unannounced inspection procedures, and prevent systematic risks in the implementation of engineering projects, which contributes to improving the quality of engineering management.

In addition, to ensure the effectiveness of the quality management system, the Company actively invites external professional third parties to conduct quality management audits and certifications. Shenzhen International has obtained ISO 9001 external audit certification for its projects including Shenzhen Total, Booming Total, Shenyang Integrated Logistics Hub, and Nanjing Xiba Port.



Shenzhen Total Logistics Service has Obtained ISO 9001 Quality Management System Certification



Shenzhen International Booming Total Logistics has Obtained ISO 9001 Quality Management System Certification



Shenyang Shenzhen International Integrated Logistics Hub Property has Obtained ISO 9001 Quality Management System Certification



Nanjing Xiba Port has Obtained ISO 9001 Quality Management System Certification

Obligation Performance

- Shenzhen International has obtained ISO 9001 external audit certification for its operation points including Shenzhen Total, Booming Total, Shenyang Integrated Logistics Hub, and Nanjing Xiba Port.
- We exhibited sound compliance with customer information and privacy protection, with **no incidents** of customer information leakage.
- We received **0** customer complaint and **did not** experience any marketing violations.
- We achieved an annual customer satisfaction score of **95.89 points**.

Response to ESG major issues in this chapter

- Product quality and safety
- Innovative development
- Customer relations and satisfaction
- Responsible marketing
- Data security and privacy protection

Response to relevant SDG issues in this chapter



Quality Inspection and Assessment

The Company has established a comprehensive quality inspection and assessment mechanism throughout the entire process, from design, construction and delivery to the operation and maintenance. This mechanism aims to better meet customer expectations and enhance product quality.

- **In the project design phase**, the Company has formulated the *Guidelines for Technical Risk Assessment in Project Engineering Reports*. This document focuses on material selection, process optimization, and product reliability, providing clear technical requirements for quality assessment and process design. It aims to timely identify and address potential technical issues.
- **During the project completion and acceptance phase**, we have established a quality inspection system, namely "Daily Inspection, Weekly Check, Monthly Review." This system focuses on inspecting key processes and critical areas, including hidden engineering work, and carries out acceptance inspections. We also enhance the management of construction records and acceptance documentation to ensure traceability of quality responsibilities. Furthermore, we implement a model demonstration system to visually showcase practices and requirements for key areas and processes. This helps all parties involved to have a clear understanding of the quality delivery standards, promoting consistency and controllability in quality management.
- **During the project operation phase**, we organize property personnel in various parks to conduct inspections and maintenance work covering facilities, equipment, traffic flow, and other aspects. This allows us to promptly identify and correct any issues, enhancing overall operational efficiency.

Furthermore, we regularly conduct quality training and promotion activities. Through banners, posters, promotional videos, posts, and other forms, we provide detailed explanations of industry quality standards and regulations, aiming to improve the quality awareness and competence of all staff members.

Implementation of the Promotion and Training of the *Outline for Building a Powerful Country with Quality*

From 12 September to 13 September 2023, the management departments of Shenzhen International Bay Area Investment conducted promotion and training activities for the *Outline for Building a Powerful Country with Quality* (hereinafter referred to as the *Outline*). All participating representatives were required to take this opportunity to deeply study and implement the spirit of the *Outline*, firmly establish the concept of "High Quality Creates a Better Life" and "Quality Shapes the Future" and enhance employees' quality and legal awareness.



Quality Promotion and Training Scene

Innovation and Development

Shenzhen International adheres to the innovation-driven development and actively fosters an open innovation ecosystem. We consistently upgrade and transform our business models, explore the application of digital technologies, and drive transformation and upgrading through innovation. Our goal is to achieve high-quality development and provide customers with products and services that are more market-competitive and better aligned with their needs.

Fostering an Open Innovation Ecosystem

Shenzhen International is dedicated to creating an open innovation ecosystem and fostering an innovative atmosphere. We have revised system documents such as the *Administrative Measures for Innovative Incentives*, the *Administrative Measures for Innovative Support Funds*, and the *Implementation Rules for Special Funds for Investments in Innovations*, to encourage employees to propose creative solutions and ideas to address challenges. We have established a special fund of RMB 50 million annually for innovation support and rewards, aiming to advance forward-looking projects. Furthermore, the Company plans to establish an open communication and exchange platform to facilitate idea and experience sharing among team members. This platform will enhance internal collaboration and further stimulate the innovation capabilities of our talent, fostering a culture of innovation.

Continuous Innovation Evaluation Activity in Port Development

In August 2023, Shenzhen International Port Development organized the "Micro Innovation" quarterly evaluation activity. The purpose of this activity is to discover and recognize employees' innovative achievements, stimulate their innovation potential, and promote the sharing of innovative practices within the Company. After rigorous evaluation and selection, a total of 82 projects won the award, and a bonus of over RMB 36,000 was disbursed.



May Day Innovation Excellence Award



Staff's Small Design Project Award

2023 Shenzhen International Technology Innovation Reporting Sharing



Production Visualization System Reporting



Introduction to Foreign Trade Digital Logistics Platform Service



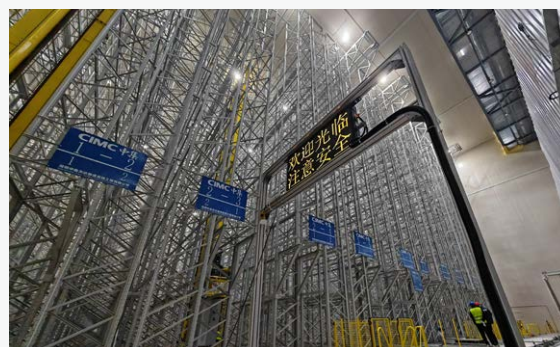
Optimization, Innovation and Application of Engineering Design for Building, Foundation, Fire Safety, and Mechanical and Electrical Engineering in Warehousing Project

Business Model Innovation

Shenzhen International actively embraces innovation, examines the market environment from a fresh perspective, deeply explores customer needs, and continuously expands its business areas. It has systematically constructed all-round "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure + Intelligent and Cold Chain Logistics" logistics ecosystem. Seizing potential investment opportunities, including smart warehouses and cold chain logistics, Shenzhen International explores new paths such as smart warehousing solutions and value-added logistics services, including warehouse intelligence and integrated cold chain warehousing and distribution. These efforts have led to the innovative upgrade of the Company's business.

Liguang Project Explores Smart Warehousing Solutions

As part of the Company's panoramic logistics ecosystem strategy, the Liguang Project aims to "create a high-standard, intelligent, and ecological modern logistics benchmark demonstration park." It operates cold chain logistics services through a "self-operation + cooperation" model. We employ automated control technology to handle the in-warehouse and ex-warehouse of goods using vertical lifts, enabling intelligent control throughout the entire process. By creating an automated three-dimensional warehouse, we fully leverage the vertical and aisle space, resulting in a 100% increase in storage capacity and over 50% improvement in operational efficiency.



Automated Stacking Crane (ASC)

Facing the need for logistics management and control throughout process arising from the digital and intelligent transformation of the logistics industry, the rising of e-commerce platforms, the fragmenting demand for foreign trade logistics, and changes in China's manufacturing and trade terms, in 2023, we created the "Shenzhen EDI Co., Ltd. Foreign Trade Digital Logistics Platform Service Project", using existing operating sites, user resources and data, in order to cooperate with internet-based logistics companies, innovate and develop new model of logistics service, and establish a port foreign trade logistics service platform with the Shenzhen EDI Project as the core to enhance the core competitiveness of partner companies and achieve cost reduction and benefit increase.



Service Fulfillment



Online Customer



Online Resource

Shenzhen EDI Co., Ltd. Foreign Trade Digital Logistics Platform

Digital and Intelligent Transformation

The Company adheres to innovation that aligns with the business development stage and practical application scenarios. It has released internal regulations such as the *Digital Management Measures*, *Management Regulations on Digital Project Construction*, and the *Implementation Rules for Digital (Information Technology) Project Management* to unify information technology standards and initiate the "Lighthouse Project", establish a digitally replicable and scalable platform, and drive the digital and intelligent transformation of various business sectors and subsidiaries. In 2023, Shenzhen International Bay Area Investment used the Liguang Project as a pilot program to complete the unified construction of an integrated intelligent park operation and management platform.

Smart Platform Facilitates Leaps in Development for Bay Area Investment

We utilize logistics parks as carriers, leverage next-generation information technology as a means, and rely on intelligent application system platforms for support. Our approach involves comprehensive perception, digital connection, and deep integration of personnel, vehicles, goods, and logistics. Through the adoption of Internet of Things (IoT) technology, we achieve seamless connectivity among various sensors and terminal devices. As such, we present monitoring and analysis results in an intuitive and clear manner by utilizing techniques such as three-dimensional visualization. This provides support to decision-makers for energy conservation, emissions reduction, and operational cost reduction within the park.



Interconnectivity of Equipment in the Park



Greater Bay Area Investment Visualization Center

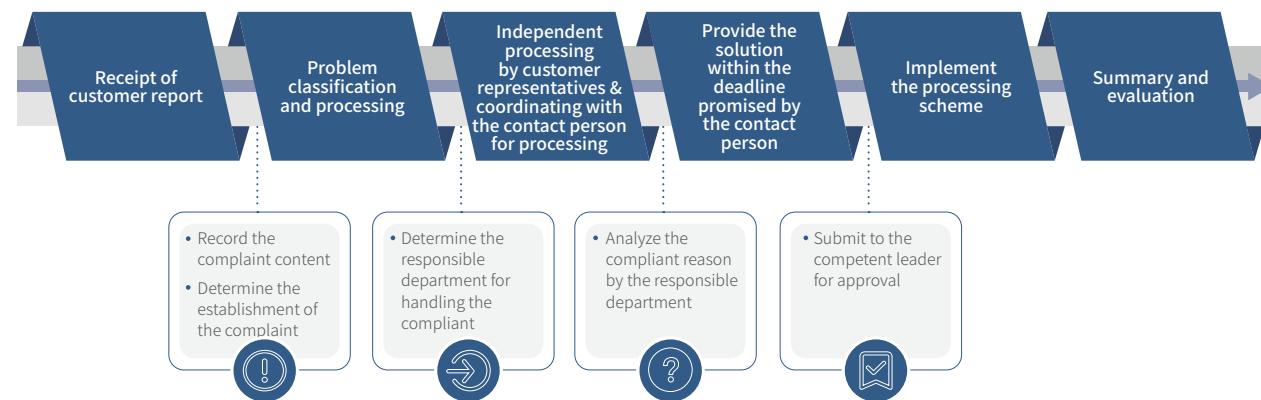
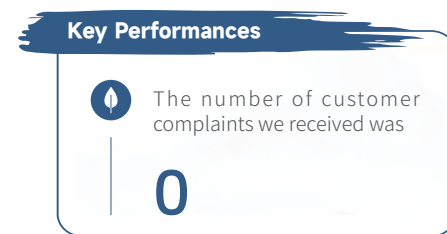
High-Quality Services

Shenzhen International adopts a meticulous service model, continuously enhancing service quality. We place great importance on protecting customer privacy and strictly avoid any leakage of user information. We are committed to responsible marketing, eliminating false advertising, and continuously improving customer satisfaction to create value for users.

Optimizing Complaint Handling

The Company has established standardized and streamlined guidelines for complaint handling, issuing documents such as the *Complaint Registration Form* and the *Guidelines for Daily Operation of Customer Service Team*. We conduct customer satisfaction surveys, collect feedback on our services through online questionnaires and offline visits, and other methods and make analysis. For matters involving service complaints, we implement a full-process meticulous management that includes complaint acceptance, analysis of the reasons behind the complaints, handling of the complaint incidents, and summary evaluations.

We collect customer feedback through various channels, such as service accounts, customer hotline, email, and the smart park system, in order to promptly address customer issues and ensure satisfactory resolution of complaints. In 2023, we received zero customer complaint.



Customer Complaint Handling Process

Customer Privacy Protection

Shenzhen International strictly adheres to laws and regulations such as the *Telecommunication Regulation of the People's Republic of China* and the *Provisions on the Protection of Personal Information of Telecommunication and Internet Users*. We have established relevant regulations, such as the *Personal Privacy Protection System for Network Application Platforms*, the *Information Asset Management Measures*, and the *Privacy Agreement*. These regulations clearly state our commitment to strictly adhere to confidentiality regulations when collecting and using customer information on our network application platforms. We firmly prohibit any disclosure, tampering, or destruction of customer information and prohibit the sale or illegal provision of personal user information to others. The Company implements supervision and management of personal information protection for customers. In the event of personal information leakage, damage, or loss of customers, a dedicated department is responsible for conducting investigations and emergency response measures. In 2023, the Company exhibited sound compliance with customer information and privacy protection, with no incidents of customer information leakage.

Responsible Marketing

Shenzhen International places great emphasis on its commitment to customers and practices responsible marketing and promotion. We strictly adhere to laws such as the *Advertising Law of the People's Republic of China* and have developed a series of internal regulations, including the *Interim Measures for Public Opinion Detection and Response*, the *Interim Measures for Information Propagation*, and the *Interim Measures for Brand Management* to regulate marketing activities and prohibit false or exaggerated advertising. It is explicitly stated that all marketing materials must undergo internal approval before they can be released, ensuring the protection of customer interests and fair competition. In 2023, Shenzhen International did not experience any marketing violations.

Customer Satisfaction Improvement

Shenzhen International always strives to provide services that fully meet customer satisfaction from the perspective of customers. Based on work practices and changes in the business, we continuously improve the *Program for Measuring Customer Satisfaction* and the *Satisfaction Survey Work Plan*. We gradually establish feedback channels for customer opinions and regularly invite independent third parties to conduct customer satisfaction evaluations. We actively engage with customers to understand their expectations and assess customer satisfaction risk points based on research findings. We then develop and implement improvement plans for customer service, constantly enhancing the quality and level of our services.

In 2023, the Company commissioned a third-party organization to conduct structured questionnaire-based surveys targeting both corporate and individual customers. The survey covered various aspects, including product services, advertising and promotion, and complaint handling. This comprehensive approach allowed for a comprehensive understanding of customer expectations and evaluations. The Company achieved an annual customer satisfaction score of 95.89.



3 Protect the Environment to Live with Green Surroundings

Facing the influences arising from global climate change, Shenzhen International adheres to the concept of green development, actively responds to national "Carbon Peaking and Carbon Neutrality" mission, integrates the concept of sustainable development to its business, and is committed to building green logistics parks and ports, promoting the green transformation and upgrade of industry. The Company endeavours to reduce the impact of its business on the environment by carrying out green building certification, applying environmentally friendly technologies and clean energy, and carrying out ecological protection work, so as to achieve high-quality development balancing business operation and ecological environment protection, build a low-carbon and environmentally friendly operation system together with its customers, and carry on the responsibility for green development with all parties.



Obligation Performance

- Nanjing Xiba Port, a subsidiary of Shenzhen International Ports, obtained ISO 14001 Environmental Management System Certification.
- The total amount of used renewable energy is 820,382 kWh.
- Over 130 new energy vehicle charging piles and over 180 new energy vehicle charging guns are put into use across parks in Xi'an, Changsha, Kunming, Guiyang and Chongqing, etc., which are expected to effectively reduce over 1,100 tonnes of carbon dioxide emissions each year.

Response to ESG major issues in this chapter

- Reduction of greenhouse gas emissions and air pollutants
- Energy efficiency
- Waste management
- Tackling climate change
- Water use and wastewater management
- Use efficiency of raw material
- Biodiversity conservation
- Development of green buildings
- Environmental protection

Response to relevant SDG issues in this chapter



Environmental Management

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, and requires each business segment to implement national and industrial environmental protection standards, continuously update and improve its environmental management system based on the business operations of the segment, put forward comprehensive environmental management requirements in respect of the response to climate change, energy management, water resources management, waste management, biodiversity protection and sustainable building, and formulate management objectives covering water utilization, energy utilization, waste and biodiversity, so as to consolidate the management foundation and avoid and minimise the risks and impacts of business operations on the environment. Also, the Company is actively engaged in the certification of its environmental management system. In 2023, Nanjing Xiba Port, a subsidiary of Shenzhen International Ports, obtained ISO 14001 Environmental Management System Certification.



Nanjing Xiba Port Obtained ISO 14001 Certification

Shenzhen International Environmental Management Objectives

Target type	Target
Water utilization	Gradually realise the rational use and conservation of water resources and strive to reduce water consumption in business operations year by year. Implement water recycling projects to improve the efficiency of water use.
Energy utilization	Proactively shift to cleaner and renewable energy sources to reduce the use of fossil energy and lower carbon emissions.
Hazardous and non-hazardous waste	Establish a comprehensive waste classification and treatment system to ensure that hazardous waste is handled in a compliant manner to avoid environmental pollution. Strengthen waste minimisation measures to reduce waste generation and increase resource recycling rates.
Biodiversity and land use	Avoid, minimise, restore and offset negative impacts on biodiversity as a result of the Company's operations, and strive to minimise the environmental impacts of its own operations.

Key Performance

- The replacement rate of water-saving appliances in operation parks in Shenzhen: **100%**
- Jingjiang Port under the Company has built **7** sets of shore power supply connection devices
- Jingjiang Port realized **100%** shore power coverage of quay berths
- 13** projects have fulfilled the Green Building Design Standard or obtained Green Building Certification, among which the Qianhai Yidu Building project has obtained the highest level of LEED Green Building Certification.

Building Green Logistics Parks

Shenzhen International proactively promotes the development of green buildings and the utilisation of new energy sources, and enhances energy saving and consumption reduction, water conservation and waste treatment through the assessment of office areas and projects in operation, so as to minimise the harm to the environment caused by the operation process. Also, we strictly implement the green management regulations in the leasing process of the parks, with the utmost dedication to fostering a green operating environment through collaboration with our partners.

Promoting Green Buildings

The Company advocates the design of products that comply with green building standards, and explores the research and development and application of green building systems that are low in energy consumption, environmentally friendly and highly efficient, so as to create benchmark logistics hubs and urban complexes that minimise the negative impact on the environment. To implement the green and sustainable concept in the whole life cycle of buildings, we form a closed-loop management system aiming at green building operation from the dimensions of planning, design, materials, construction, delivery and operation and maintenance.



List of Green Building Certifications

Type	Project Name	Green Building Standard
Projects with green building certifications	◆ Qianhai Yidu Building Project	LEED-CS Platinum
	◆ Shenyang Integrated Logistics Hub Project	Level 1 Green Warehouse
	◆ Shijiazhuang Integrated Logistics Hub Project	
	◆ Nanjing Xiba Port Project	Four-star Jiangsu Green Port
Projects that follow design standards	◆ Shenzhen Pingshan Project	Green Building Standard 1-star Level
	◆ Shenzhen Yantian Project	Green Building Standard 2-star Level
	◆ Liguang Logistics Park Project	
	◆ Shenzhen International Integrated Logistics Hub Center (The Pinghunan Project)	
	◆ Shenzhen International Highway Hub Logistics Port (Shenzhen Bao'an)	Green Building Standard Three-star Level
	◆ Foshan Shunde Project	LEED-CS Platinum
	◆ Foshan Nanhai Project	LEED BD+C Gold
	◆ Zhanjiang Project	LEED BD+C Silver
◆ Hainan Chengmai Project		



Qianhai Yidu Building LEED Certification



Shenyang Integrated Logistics Hub Obtained "Level 1 Green Warehouse" Label



Nanjing Xiba Port Obtained Four-star Jiangsu Green Port



Shijiazhuang Integrated Logistics Hub Obtained "Level 1 Green Warehouse" Label

Application of closed-loop green building management system to Qianhai Yidu building


In the whole life cycle green building practice of Qianhai Yidu Building, we gained a wealth of experience in greening commercial real estate during the design, construction and operation periods. BIM, wind and acoustic environment simulation, energy management system, Internet of Things (IoT) and smart park platform are applied in this project through the implementation of digitalisation, artificial intelligence and IoT technologies in order to achieve the advantages of high efficiency in use, high standard of delivery and good energy saving effect. The estimated projected annual energy consumption per square meter of the project in 2023 was 63.5 kWh, which is 29% lower than the average value in Shenzhen.


Developing Green Construction


The Company has created a series of internal systems such as the *Environmental Protection Management System*, the *Bulk Cargo Dust Control Management System*, the *Waste Material Management Measures*, the *Construction Waste Management System*, and the *Guidance Manual for Construction Waste Reduction at Construction Sites*, which regulate the environmental protection measures at construction sites and require regular environmental monitoring of the construction sites, to ensure that the impacts of the construction activities on the surrounding environment will be minimised.

Before the commencement of a project, we strictly carry out the procedures for reviewing and approving the environmental impact assessment of the project and organise the feasibility assessment and registration of the environmental impact assessment of new projects. In the construction stage, we use an intelligent construction system to reasonably arrange the material unloading, reduce the generation of scrap materials; require the construction unit to produce a special recycling program, and on the premise of meeting the quality requirements, we make use of the residual materials such as concrete and perlite insulation materials, and process and produce them into various types of engineering materials, and implement the recycling of construction wastes, and turn them into resources again.

Building development and construction may cause negative environmental impacts and may violate the basic rights of nearby residents to a clean environment. Therefore, during the construction process, the Company assesses major environmental factors such as wastewater, waste gas, solid waste, noise and ecological impacts, and proactively takes measures to minimise the impacts, including:

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Sealing and isolating the construction site with hoardings, covering the construction site with dust-preventing facilities, equipping with sprinklers and setting up a car-washing pool to reduce dust pollution.
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Giving priority to the use of low-noise or noise-reducing construction machinery, prohibiting the honking and high-speed driving of transport vehicles, and reasonably scheduling the time of the construction work with the actual situation of the parks.
- 

Strengthening the advocacy of on-site environmental protection awareness, minimising the disturbance caused by the construction to the public, and guaranteeing the smooth progress of the work.



Dust Detection System



Dust Suppressing Sprayer

Practising Green Operations

Shenzhen International continues to explore innovative mechanisms and new initiatives for environmental management in logistics parks and positively practices green operations. We work together with our tenants to create green logistics parks by continuously promoting the construction of photovoltaic power generation and charging piles and implementing measures such as water conservation.

Comprehensively promote photovoltaic power generation

In 2023, the Company incorporated photovoltaic power generation into its development strategy, proactively carried out research, renovation and installation of rooftop photovoltaics, and explored the development and utilisation of carbon assets. Currently, Shenzhen International Logistics Park has about 3.28 million square meters of rooftop area, and is expected to have a total installed capacity of up to 230 MW in the future.

Key Performances

Shenzhen International Logistics Park has about **3.28 million square meters** of rooftop area

The total installed capacity is expected to reach **230 MW** in the future

Application of distributed photovoltaics in Shenyang Integrated Logistics Hub

Shenyang Integrated Logistics and Shenyang Guodian Power New Energy Development Co., Ltd. reached a cooperation to introduce distributed photovoltaic power plant business, achieving roof photovoltaics coverage of 35%. In 2023, we have completed all 46,000 square meters of photovoltaic construction and achieved grid-connected power generation, and estimated to save RMB 300,000 in electricity costs throughout the year. Shenyang Park thus won the title of "2023 China Logistics Green & Low Carbon Action Model" for its photovoltaic project.



Shenyang Integrated Logistics Hub Obtained 2023 China Logistics Green & Low Carbon Action Model

Vigorously promote the construction of charging piles in the parks

Shenzhen International Logistics Development Company Limited, signed a strategic cooperation agreement with State Grid Electric Vehicle Service Co., Ltd. pursuant to which the two parties agreed to jointly promote the construction and operation of new energy charging piles within the logistics ports of Shenzhen International nationwide. As of December 2023, over 130 new energy vehicle charging piles and 180 charging guns have been put into operation in the parks of Xi'an, Changsha, Kunming, Guiyang and Chongqing, which is expected to effectively reduce carbon dioxide emissions by more than 1,100 tonnes per year.

Proactively carry out water conservation measures in the park

The Company enhances the efficiency of water resource utilisation by strengthening management, promoting water conservation technologies, optimising production processes and raising public awareness of water conservation. As of December 2023, Shenzhen International has completed the retrofitting of a total of 528 faucet water savers in all business parks in Shenzhen, including workplace, living areas in the parks, and office space in the operation areas.

Key Performances

Shenzhen International has completed the retrofitting of a total of faucet water savers

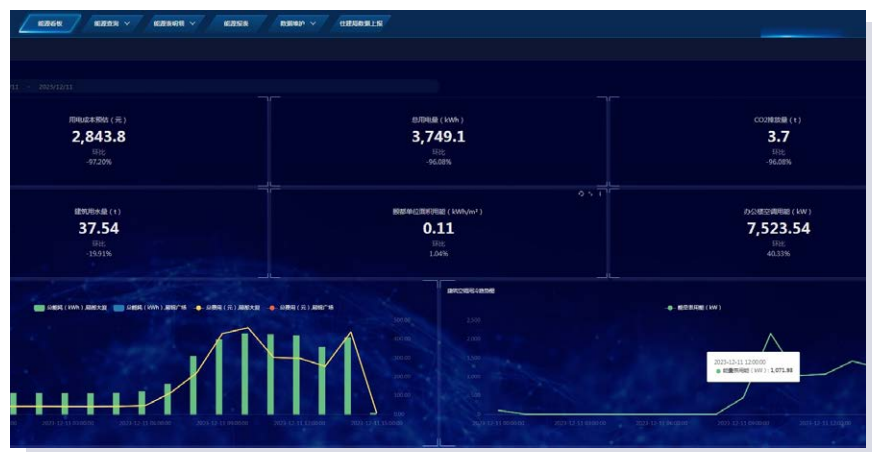
528

Apply energy management systems

Shenzhen International continues to optimise the construction of the intelligent systems in the parks, collects, calculates, analyses and processes energy data online, dynamically monitors and optimises energy consumption in the parks in real time, reduces energy consumption per unit of product, reduces pollution emissions, and achieves the effect of environmental protection, energy saving and emission reduction.



Electric Water-cooled Energy Monitoring



Energy Consumption Dashboard

Building Green Ports

Committed to building green ports, Shenzhen International sets and regularly reviews annual energy usage targets, implements measures for energy conservation and emission reduction, and strictly controls emissions, water resource use, and waste disposal, so as to achieve sustainable development of ports.

Electricity consumption target

The target for the Company's electricity consumption target in 2023 was 7,500 kWh/10,000 tonnes (calculated based on port operating tonnes), with an actual consumption of 7,238 kWh/10,000 tonnes.

Diesel oil consumption situation

In 2023, the diesel oil consumption was 222.83 tonnes, representing a year-on-year decrease of 5.89%, while the diesel oil consumption was 236.79 tonnes in 2022.

Energy Conservation and Emission Reduction

The Company has formulated the *Management Measures for the Assessment of Energy Conservation and Consumption Reduction*, clarifying the assessment procedures and management rules for energy targets. The Company also actively introduces innovative energy-conservation technologies and implements measures for energy conservation and emission reduction, to continuously improve the energy utilisation efficiency of the Company.

Using on-shore power supply facilities

Shenzhen International has launched an on-shore power model to provide clean energy for berthing ships and reduce atmospheric pollutants and carbon dioxide emissions during berthing. The Nanjing Xiba Port project under the Company has achieved full coverage of on-shore power supply connection devices by building a dedicated coal transportation corridor and on-shore power supply facilities, thus achieving full-electric transportation, full-electric storage, and full-electric loading and unloading, and effectively saving fuel and tail gas emissions. The use of on-shore power supply facilities helps to reduce fuel consumption by approximately 2,475 tonnes, reduce carbon dioxide emissions by 550 tonnes, and save over RMB 13 million in ship energy costs.

Introduce photovoltaic power generation

The Nanjing Xiba Port project, a port business under Shenzhen International, has installed solar power generation facilities in areas such as enclosed greenhouses, top of the belt conveyor corridors, and roofs of various transfer stations that can be utilised. As at the end of 2023, the total installed capacity of the project reached a total photovoltaic capacity of 13 MW. The project also adopted a self-generated surplus power on-grid scheme to meet the basic power supply needs of the Company's car shed charging piles and basketball courts, which not only solved the problem of electricity consumption for employees commuting to and from work, but also effectively reduced the cost of electricity consumption. In the future, we plan to apply for the APSN Green Port Award Scheme (GPAS) and continue to promote the development of photovoltaic projects.

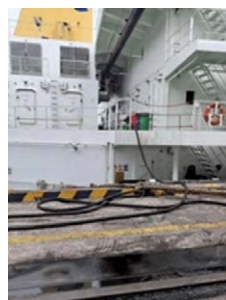
Emissions Management

In compliance with the *Environmental Protection Law of the People's Republic of China* and the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the Company formulates internal policies such as the *Safety, Health and Environmental Protection Management Regulations* and the *Management Measures for Ship Pollutants* which clarify the responsible entities for pollutant management, so as to improve measures for managing emissions in key processes.

Xiba Port adopts various measures to reduce exhaust gas emissions

During the berthing period of a seagoing vessel, its ancillary equipment, living equipment, and lighting equipment need to be continuously powered. If the ship starts the marine generator for power supply, a large amount of exhaust gas will be generated. In such case, the Port Development under the Company actively explores various measures to reduce exhaust gas emissions.

- ◆ Install on-shore power supply equipment that can simultaneously meet the needs of on-shore power supply connection for four seagoing vessels at ports;
- ◆ Actively carry out maintenance and inspection of non-road mobile machinery exhaust gas purifiers to ensure that exhaust gas emissions meet standards;
- ◆ Organise and implement the building of new energy charging piles for electric vehicles and put them into practical use to reduce motor vehicle exhaust gas emissions;
- ◆ Purchase new energy road cleaning vehicles for routine cleaning of factory roads;
- ◆ Use photovoltaic power generation in the electric car shed for daily charging of electric vehicles.



On-shore Power Supply Connection for Seagoing Vessels



New Energy Cleaning Equipment



Tail Gas Maintenance and Inspection



Exclusive Parking Spaces for New Energy Vehicles

In addition, we have established a comprehensive emission monitoring system to regularly monitor and assess emissions, so as to ensure that they comply with relevant regulations and standards. At the same time, we actively adopt advanced cleaning production technologies and equipment, including variable frequency drive rollers, remote control high-pole lights, corridor lighting and other energy-conservation equipment, and continue to promote the building of enclosed greenhouses to reduce emissions from the source and improve resource utilisation efficiency.



Permanent Magnetic Rollers



Closed Greenhouses at Jingjiang Port

Water Resources and Sewage Treatment

In line with relevant laws and regulations such as the *Water Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*, Shenzhen International formulates the *Water Pollution Prevention, Control and Management Measures* and *Water Pollution Management Policy*. No issue in sourcing water had been identified during the year 2023. With the help of sewage treatment facilities, the rainwater on the dock roof and domestic sewage are collected, precipitated, and treated into reclaimed water for recycling, thereby improving the reuse rate of water resources. The Nanjing Xiba Port project under the Company has achieved full recycling of wastewater, and the treated clean water is used for site flushing and spraying.

Both Jingjiang Port and Xiba Port have installed marine wastewater receiving devices

Jingjiang Port and Xiba Port, the port business under Shenzhen International, have integrated sewage treatment equipment installed at the loading berth of main docks and the inner harbour basin dock. After a ship berths, the wastewater receiving devices will extract the marine wastewater, which will be uniformly lifted through sewage pipelines to the integrated sewage treatment equipment at the dock for wastewater treatment. Then, it will be received by on-site sprinkler trucks for green irrigation. Such devices help realise the unified collection and treatment of wastewater from berthing ships, greatly reducing the secret discharge of marine wastewater.



Sewage Treatment Equipment

Waste Management

Shenzhen International has formulated regulations such as the *Management Measures for the Collection and Disposal of Hazardous Waste* and the *Management Measures for Waste Materials*, clarifying the management methods for disposing of different types of waste and the recycling measures for recyclable renewable resources. We will collect and classify waste materials such as product packaging boxes and waste packaging materials. For hazardous waste such as waste engine oil, we will entrust qualified third parties in the area to collect and handle them uniformly.

Xiba Port carries out renovation and recycling of waste

Nanjing Xiba Port mainly adopts measures such as self-repair of waste rollers, secondary utilisation of waste lubricating oil and waste tape (coating steel wire ropes and laying mats), to achieve waste recycling.

- ◆ Repair and renovate over 15 sets of waste rollers and brackets, effectively solving the problem of non-standard matching parts and components;
- ◆ Use waste lubricating oil for steel wire ropes more than 30 times, achieving the goal of delaying the aging and corrosion of steel wire ropes;
- ◆ Use waste tape to make more than 100 pieces of belt conveyor covers in place of polyurethane covers, which not only meets daily needs, but also reduces maintenance costs and waste material disposal costs.



Renovation of Waste Rollers and Brackets



Production of Belt Conveyor Covers



Lubrication with Waste Lubricating Oil

Eco-Environmental Protection

Shenzhen International always values the balance between environmental protection and enterprise development. Shenzhen International strives to reduce the negative impact of company operations on biodiversity, and actively engages in land reclamation and restoration, restoring and replanting damaged local vegetation to promote ecosystem balance and stability.

Biodiversity Conservation

Shenzhen International is committed to avoiding, reducing, restoring, and offsetting the negative impact of its operations on biodiversity. We strive to reduce the impact of our own operations on the environment and establish a symbiotic, mutually beneficial, and regenerative development pattern with the surrounding natural and social environment through the establishment of a biodiversity conservation management system, continuous ecological environment monitoring, normalised biodiversity conservation practices, and honest information disclosure.

Establish and improve a biodiversity conservation management system

Shenzhen International strictly complies with the *Environmental Protection Law of the People's Republic of China* and establishes a comprehensive biodiversity protection policy, including the *Safety, Health and Environmental Protection Management Regulations*, the *Administrative Measures for Safety, Health and Environmental Protection Performance Assessment*, and other internal policies covering all operating locations and supply chains of the Company, promoting sustainable use or procurement of natural resources and raw materials. The impact on surrounding fauna and flora is considered in all stages of project planning, design, construction, and operation and maintenance, and continuous monitoring is conducted over the surrounding environment of the project location:

- ◆ Before construction: Conduct on-site surveys to assess the impact of construction on the local community environment, water ecosystem, and biodiversity. Stay away from high-value areas of biodiversity such as water resource conservation areas and protect the fauna and flora of the construction area as much as possible;
- ◆ During construction: Promote greeneries in the entire project and surrounding communities in a planned manner to maintain the original ecology of the developed area;
- ◆ During operation: Develop and implement strict emission treatment policies and procedures, monitor the surrounding environment, ensure that coal-containing wastewater generated during operation does not affect the surrounding ecological environment, and strive for harmonious development with the surrounding natural and social environment.

Environmental impact assessment report for the early-stage project development

A strict environmental impact assessment is conducted in the early stage of the development of the Shenzhen International Integrated Logistics Hub Center (The Pinghunan Project). In combination with the actual situation of the construction project, detailed research and assessment is conducted on environmental factors such as surface water, hydrogeology, vegetation, animals, and land use. In order to effectively isolate the project area from the Shenzhen Reservoir and reduce the potential impact on the water quality of the reservoir, we bypass the Shenzhen Reservoir and transfer water downstream to the Liantang River through facilities such as rainwater and flood regulation and storage lakes and inlet and outlet water tanks, thereby effectively ensuring the water quality safety of the Shenzhen Reservoir and reducing the impact of the project on the surrounding ecological environment and biodiversity.

Environmental protection acceptance inspection upon project completion and public opinion survey

Before the acceptance of the Logistics Centre Dock project of Shenzhen International, an environmental protection acceptance inspection upon project completion and a public opinion survey are organised. A community impact assessment survey is conducted on the basic attitudes of the community residents of the project towards the project construction, the environmental impact generated by the project, the impact of the project on work and life, and whether there are any disturbance or disputes in the project, effectively grasping the interest demands of the community residents, and minimizing the impact of project construction and business operation on surrounding communities and ecosystems.



Environmental Protection Acceptance Inspection upon Project Completion and Public Opinion Survey

Professional promotion of biodiversity conservation practices

Systematically and professionally carrying out biodiversity conservation work is an innovative exploration of Shenzhen International to promote the harmonious development of enterprises and the nature. The business operations of Shenzhen International are spread throughout the country, involving various types of natural ecosystems and a rich variety of species. Throughout the entire lifecycle of project construction and operation, we explore effective species conservation solutions for all operations of Shenzhen International, and take various effective measures including propagation and release and garbage disposal to actively protect living organisms and the surrounding environment, thus achieving harmonious coexistence between project operation and nature.

Jiangsu Xingwang Logistics gives back to rivers by propagation and release

In order to further increase the amount of aquatic biological resources in the Yangtze River Basin and improve the structure of biological communities, on 11 July 2023, Jiangsu Xingwang Logistics actively collaborated with the Jingjiang Fisheries Administration to carry out fishery resource propagation and release activities for ecological compensation around the port and company dock. The released species included benthic organisms such as river clams and shrimp, as well as fish such as grass carp and mandarin fish, improving aquatic productivity and promoting sustainable development of the fishery, while effectively maintaining the diversity of aquatic organisms and assisting in local species preservation in the Yangtze River Basin.



Jiangsu Xingwang Logistics Carries out Propagation and Release

Garbage removal along the mudflat of docks to build a strong ecological barrier of the Yangtze River

On 21 April 2023, Jiangsu Xingwang Logistics organised a garbage clearing activity along the mudflat of docks, comprehensively clearing the white garbage, fishing net foam, paper scraps, beverage bottles and other garbage randomly discarded along the river. The ships along the line were appealed to strengthen ship waste management through WeChat group notification, on-site education and other ways. Over 100 bags of garbage were cleared in this activity, totalling about two tonnes, revitalising the appearance of the Yangtze River embankment and further improving the ecological environment of the Yangtze River Basin.



Waste Cleaning along the Mudflat of Docks by Jiangsu Xingwang Logistics

Land Reclamation and Restoration

Insisting on the principle of "the one who causes damages should be responsible for reclamation", Shenzhen International strictly abides by the relevant requirements and regulations on construction activities, natural damages and land reclamation in laws and regulations such as the *Land Administration Law of the People's Republic of China* and the *Regulation on Land Reclamation*, and has formulated the *Safety, Health and Environmental Protection Management Regulations* and the *Administrative Measures for Safety, Health and Environmental Protection Performance Assessment* and other relevant internal policies covering all operations and upstream and downstream supply chains of the Company, based on the above regulations, ensuring the restoration and reclamation of all disturbed land. For all land resources that have been damaged during the business process at all operational sites, we set indicators and targets related to the greening rate, regularly carry out tree planting for employees, tree maintenance, and slope greening, and restore and replant the damaged local vegetation.

Biodiversity and land use targets

Jiangsu Xingwang Logistics of Shenzhen International targets to complete the greening of 27,600 square meters of land by 2024, with a greening rate of 7.2%.



Planting trees jointly for the green port

On 10 March 2023, as the 45th Arbour Day approached, Nanjing Xiba Port organized an Arbor Day activity with the theme of "Planting Trees Jointly for the Green Port". Planting vegetation such as ophiopogon japonicus and rhododendron in the port area can effectively reduce the impact of business operations on the local ecology and assist in the building of a green ecological port.



Arbour Day Activity Themed by "Planting Trees Jointly for the Green Port"

Tackling Climate Change

In recent years, with the frequent occurrence of extreme weather events and the intensification of global climate risks, addressing climate change has become a global consensus. Shenzhen International integrates addressing climate change into its management and operational practices, guided by the national "carbon peaking and carbon neutrality" strategy. It plans to identify climate change-related risks and opportunities for various business sectors, striving to enhance governance performance on climate-related issues and become a leader in sustainable industry development.

Climate Change Risks and Opportunities

Port development, due to its business operation characteristics, is more susceptible to the impacts of climate change. Based on the Task Force on Climate-Related Financial Disclosures (TCFD) and the International Financial Reporting Standards Climate Disclosure Standards (IFRS S2), the Company has preliminarily identified potential physical risks and transition risks of climate change in its port business:

Risk type		Risk impact
Physical risk	Typhoons	<ul style="list-style-type: none"> • Typhoons may damage terminal equipment or open-air stockpiles and require repair or replacement, leading to business interruptions and additional cost expenditures. • Ships docking or encountering issues, especially during heavy storms, ship control and operation will become difficult, negatively impacting port operations. • Crane operations are restricted above a certain wind speed, affecting port loading and unloading efficiency.
	Extreme precipitation	<ul style="list-style-type: none"> • Heavy rainfall may increase fog, affecting visibility for vessels, thereby impacting navigation and anchoring, causing ships to have to wait for a long time outside the port and negatively affecting the port operation. • Heavy rainfall can lead to a sharp increase in water level and speed, which in turn affects the manoeuvrability of vessels. For example, at the entrance to a harbour, vessels may be hindered by its inability to adapt to the change in water flow.
	Extreme heat	<ul style="list-style-type: none"> • Equipment and goods are more susceptible to damage, requiring additional time and money for repairs, resulting in increased costs. • Higher energy consumption for cooling has a greater environmental impact. • Health and safety issues for personnel and crew become more severe, requiring more safety measures and training.
	Sea level rise leading to inland river level rise	<ul style="list-style-type: none"> • Port infrastructure is susceptible to flooding and damage. Without major upgrades (such as port elevation and coastal protection), the risk of permanent flooding of facilities increases, rendering the port unable to operate normally.
Transition risks	Policy and legal risk	<ul style="list-style-type: none"> • National and local government regulations are gradually requiring strengthened green port construction to prevent pollution from ships and port terminals. Failure to effectively transform and upgrade existing business models and facilities to low-carbon options may lead to policy and legal violation risks and fines.
	Reputational risk	<ul style="list-style-type: none"> • Stakeholders demand higher information disclosure and management requirements for Shenzhen International's response to climate change. Failure to respond could affect the Company's reputation.

Additionally, Shenzhen International has established emergency plans for extreme weather and natural disasters, including internal regulations such as the *Special Emergency Plan for Typhoon and Flood Prevention*, the *Emergency Plan for Cold Currents and Heavy Snow Weather*, the *Special Emergency Plan for Natural Disasters (Earthquakes)* and others, clarifying the emergency management process, hidden danger detection scope, personnel evacuation and material support mechanism, early warning information dissemination and other requirements. These plans provide effective guidance for various business sectors to cope with extreme weather disasters and ensure stable business operations of the Company.

In the future, the Company will refer to climate-related financial information disclosure frameworks to build a climate change management framework. This will involve governance, strategy, risk management, and indicators and targets. It will gradually conduct climate change scenario analyses covering various business sectors of the Company, study response measures, and gradually enhance climate resilience and climate change response capabilities.

Low-carbon Strategic Actions

Against the backdrop of the climate crisis, the low-carbon transformation of the society is extremely urgent, and China has clearly incorporated "carbon peaking and carbon neutrality" into national development plans. Shenzhen International actively undertakes environmental responsibilities and responds to national strategic deployments. It has formulated the *Greenhouse Gas Emission Management Regulations* to strengthen the management of greenhouse gas emissions and incorporate the "carbon peaking and carbon neutrality" target into the Company's development plans. We have taken initiatives such as continuously promoting green buildings, developing distributed photovoltaics, constructing near-zero carbon ports, and promoting energy conservation and emission reduction. These actions aim to explore our own green low-carbon transformation and high-quality development paths, empowering value chain customers for energy conservation and carbon reduction, and contributing to the country's achievement of the "carbon peaking and carbon neutrality" target.

Shenzhen International Bohai Logistics' road-water transportation assists customers in carbon emission reduction

Shenzhen International Bohai Logistics, together with various partners, explores the path of low-carbon and environmentally friendly green transportation development. It establishes a new logistics model and supply chain architecture through innovation and improvement of customers' original logistics operation models.

The successful implementation of the Shandong-Liaoning road-water transportation with dumping trailers has crossed transportation mode barriers, optimised logistics capacity and transportation processes, significantly improving logistics efficiency. This project implements a "cutting corners" strategy around the "C"-shaped structure of Bohai Bay, fully leveraging the advantages of waterway transportation over short distances and energy conservation and environmental protection benefits. It actively promotes the adjustment of the "road to water" transportation structure, continuously increasing the volume of logistics in the Shandong-Liaoning Sea Crossing Channel, achieving reductions in transportation costs of cargos and increases in efficiency. This initiative not only saves vehicle fuel consumption but also demonstrates significant effectiveness in carbon reduction. According to the analysis of the projected annual business volume of existing customers, it is estimated to help client companies to reduce carbon emissions by over 9,000 tonnes annually. This project has received the World Bank's Global Environment Facility's sixth grant, with the largest grant amount among 11 grant projects nationwide.

關鍵績效

Annually, estimated to help client companies to reduce carbon emissions by over

9,000 tonnes



World Bank Grant Project Approval and Filing Documents

Green Awakening

In the process of achieving green and low-carbon transformation, every employee plays an indispensable role. Shenzhen International hopes that every employee in the Company can not only enhance their professional skills but also cultivate a strong awareness of green and low-carbon environmental protection in their daily lives and work. This influence should gradually extend to the community and region, promoting and driving the awakening of nationwide green and low-carbon consciousness, thereby collectively building an environmentally friendly society.

In 2023, Shenzhen International hosted an Energy Conservation Week themed "Green and Low-carbon, Energy Conservation First". Outside the headquarters building of Shenzhen International, energy-saving banners were hung to promote the setting of turn off times for the building's air conditioning and public lighting systems, the replacement of energy-efficient equipment, and the replacement of energy-saving lamps in the canopy. A total of 354 lamps were replaced, with an estimated electricity saving rate of over 30%. Additionally, energy-saving posters were put up in the elevator halls on each floor, and energy-saving tips were posted in company restrooms, tea rooms, and printing rooms, advocating the concept of green office and low-carbon lifestyle.



Energy-saving and Low-carbon Posters



Environmental Tips for Paper Conservation and Other Eco-friendly Measures

In order to further promote the "Clean Plate Campaign", posters and slogan prompts advocating "Food Conservation" and the "Clean Plate Campaign" are displayed in the canteen. Additionally, catering options and portions are reasonably arranged according to reception needs to reduce food waste. Furthermore, the Company has organised a series of environmental knowledge training activities aimed at enhancing employees' awareness and knowledge of environmental protection. The training content covers areas such as green travel and ecological conservation.



Clean Plate Campaign Poster



Offline Meetings to Promote Green Travel

Additionally, the Company actively advocates environmental operations among the logistics park clients, encouraging them to promote the integration of product packaging and logistics packaging. This aims to establish a long-term governance mechanism that spans the entire chain of express packaging production, usage, recycling, and disposal, reducing the need for secondary packaging of goods in the logistics and express industry chain. The Company also promotes the prohibition of non-degradable plastic tapes and single-use plastic woven bags, driving the trend towards green packaging transformation.

4 Adhering to Value Co-creation and Growing with Employees Together

Shenzhen International attaches great importance to safeguarding the legitimate rights and interests of our employees, committing to practising human rights principles with the highest standards and creating an equal, just, diverse, and inclusive work atmosphere. In the process of enterprise operation, we adhere to the concept of "safety first, prevention crucial" to ensure the health and safety of the working environment with improved management system and effective practical actions. We also attach great importance to their professional growth and well-being, actively listen to the opinions of employees, encourage employees to keep a balance between work and life, and constantly create development environments and opportunities to help employees realize their personal values and ideals.



Obligation Performance

- We were **not involved** in major labor disputes and received **no complaints** on human rights issues.
- 4 rounds of third-party unannounced inspections were conducted on **142 units** and **30 Notification on Remediation of Hidden Hazards** were issued. The remediation rate of non-conformities in each unit exceeded **99%**.
- The coverage rate of production safety training (including contractors) reaches **100%**.
- The coverage rate of employee training reaches **100%**.

Response to ESG major issues in this chapter

- Compliant employment
- Employee diversity and equal opportunities
- Employees' rights and interests
- Employee training and development
- Occupational health and safety

Response to relevant SDG issues in this chapter



Employees' Rights and Interests

Shenzhen International upholds the principle of respecting and protecting employees' rights and benefits and is dedicated to creating a fair and equal working environment. The Company is fully aware of the importance of human rights protection and resolutely opposes any form of discriminatory and unfair treatment. In the employment process, we are committed to upholding the principle of fairness to provide our employees with equal opportunities and development space. In addition, we provide employees with competitive remuneration and benefits to stimulate their enthusiasm and creativity.

Human Rights Protection

Shenzhen International is committed to protecting human rights, including not only all the directors and employees, but also community members and suppliers related to operation business, and other people that may be affected by using our products and services. Based on the *International Labor Convention*, the *Universal Declaration of Human Rights*, and the *UN Global Compact*, we have followed the *Labor Law of the People's Republic of China* and the *Law on the Protection of Minors*, and developed rules and regulations including the *Employee Handbook* and the *Measures for the Management of Employee Recruitment in Shenzhen International Holdings Limited* and have set a series of indicators and goals to monitor the implementation of policies. Commitments are specified and presented as follows:

Equal opportunities

Treat and respect every employee equally, regardless of their rank or position. Selections and appointments must follow the principles of fairness, impartiality and openness.

Discrimination elimination

Establish a good working environment, prohibit all discrimination and harassment behaviors due to discrepancies in factors such as ethnicity, complexion, nationality, religious beliefs or gender.

Prohibit the employment of child labor or forced labor

Explicitly stipulate that persons under the age of 16 are not allowed to be employed, do not force employees to work against their will, and resolutely prohibits threatening or restricting their actions.

Freedom of association

Comply with laws and regulations regarding the freedom of association.

Free expression of opinions

Respect employees' freedom of speech within the legal boundaries and encourage employees to express their opinions freely and actively communicate with the management.

Rights to rest and vacation

All employees are provided with legal paid leaves such as annual leave, sick leave, marriage leave, maternity leave and paternity leave according to their local laws and regulations.

Health and safety

Safeguard the health and safety of all stakeholders including employees, contractors, suppliers, clients and community members. Be sure to attain the goal of "zero major work-related injury and zero fatality".

Good community relations

We respect the rights of the local and indigenous people in the community affected by the operating activities, protect and respect their cultural custom and diversity. We will identify related risks and take appropriate measures to reduce negative impacts as much as possible.

Key performances

Shenzhen International is committed to fulfilling the human rights principle through the highest standards. In 2023, Shenzhen International was **not involved** in major labor disputes and received **no complaints** on human rights issues.

Fair Employment

To safeguard all employees' legitimate rights and benefits and establish harmonious labor relations, Shenzhen International strictly abides by and implements national laws and regulations including the *Labor Law of the People's Republic of China*. We have developed internal management measures including *Measures for the Management of Employee Recruitment in Shenzhen International Holdings Limited*, *Management Regulations on Leaders Selection and Appointment of Shenzhen International Holdings Limited*, *Employee Recruitment Guidelines of Subsidiaries of Shenzhen International Holdings Limited*, and *Employee Handbook*. All these are being done to ensure an open and transparent recruitment process. The management of the Company reviews its measures implemented on labor standards regularly to ensure effectiveness of its management approach.

Equality, inclusion, and diversity

To attract and gather more excellent talents, Shenzhen International adheres to create an equal and harmonious working atmosphere, respect each employee's religious belief and cultural background, and resolutely opposes all improper behaviors such as discrimination, bullying, harassment, violence and conflict. In the process of recruitment, onboarding, training, promotion and reward, we never discriminate or unfairly treat employees due to discrepancies in factors such as gender, age, ethnicity, complexion, sexual orientation, nationality, place of origin, or religious beliefs. To safeguard the legitimate labor rights of special groups, the Company takes active steps to organise special recruitment activities oriented at people with disabilities and ex-service men, so as to help more special groups achieve employment with dignity. This year, there were no incidents of discrimination at the Company. As of 31 December 2023, Shenzhen International had 1,591 employees in total, including 1,567 employees in Chinese mainland, and the degree of localisation reached 98.49%⁵.

Prohibit child labor and forced labor

The Company resolutely opposes child labor and forced labor, explicitly stipulates that persons under the age of 16 (child labor) are not allowed to be employed and avoids mistakenly recruiting child labor by checking their identification information during the recruitment process. Once the recruitment of child labor or forced labor was found, we will seriously deal with it according to relevant national laws and regulations. If child or forced labor is discovered in the operation, the Company will terminate contract with such labor. During this year, behaviors related to child labor and forced labor were not detected in the Company and related supply chains.

Remuneration and Benefits

Shenzhen International strictly abides by the relevant national labor laws and regulations. With the market salary level as the benchmark, it is committed to providing fair, reasonable, and competitive remuneration and benefits. We have established *Salary Management System* for all employees, undertaken to provide them with salaries above the national minimum wage, including benefits such as basic salary, annual bonus, allowance and subsidy, five social insurances, housing provident fund and enterprise annuity, and satisfy the reasonableness of the payment of salaries according to the *Assessment Measure of the Performance Management* formulated by the headquarters. In addition, we have developed the *Measures for the Management of Employee Leave and Overtime Working* according to the circumstances of the Company, and provided employees with ten leave benefits including annual leave, personal leave, sick leave, paternity leave, family planning leave, and exam leave.



⁵ Identify local employees based on Chinese mainland

Training Development

Shenzhen International lays emphasis on the cultivation and development of talents, providing employees with an expansive range of training course systems and clear pathways for promotion. This approach not only facilitates the realisation of individual self-worth among employees, but also sustains a perpetual momentum for the enterprise's enduring growth.

Employee Training

Recognising the pivotal role of training in corporate value creation. In order to promote the quality improvement of employees and personal career development, Shenzhen International has established the *Measures for the Management of Employee Training of Shenzhen International Holdings Limited*. This policy comprehensively outlines a blended training system that integrates both internal and external training systems, delineates the operational duties of the training management department, and specifies training agendas and content. Upon conclusion of training events, an assessment of the training effect will be conducted to ensure the effective assimilation and application of the training content. In the meanwhile, feedbacks from participants are actively collected to facilitate the continual refinement and optimization of future training endeavours.

Training System of Shenzhen International	
Internal training	Conduct relevant professional training lectured by senior management or professional and technical backbones within the Company headquarters.
External training	Encompasses a wide array of training organised by the Company headquarters, including specialised courses training and learning, enterprise manager training, certificate training, academic education training, and training in professional knowledge or skills.

Career Development

The Company is dedicated to providing each employee with public and transparent opportunities for career advancement. In support of this, the *Measures for the Management of Position and Promotion of Shenzhen International Holdings Limited* was formulated, and clearly specified the prerequisites for promotion of management and professional ranks. Concurrently, the Company encourages a symbiotic growth between employees and the enterprise, offering support such as reimbursement for examination fees to employees who actively engage in formal vocational qualification examination relevant to their positions.



The 2023 Multi-directional Secondment Programme of Shenzhen International brought to a successful close

Aiming to broaden the channels for talent development and practical exercising, as well as to fortify the collaboration between the headquarters and its subsidiaries, Shenzhen International initiated a six-month multi-directional secondment programme in April 2023. The programme culminated in September 2023 with a debriefing session, where 14 participants recounted their work content and learning gains acquired during their secondments.

Key Performance



In 2023, the training coverage rate of the Company's employees reached to

100%

16.31

hours of training per capita.

Occupational Health and Safety

Occupational Health of Employees

Shenzhen International advocates humanistic health and work-life balance. In order to strengthen employees' bodies, enrich their lives, and help them form a healthy lifestyle, we held special health-related activities, such as staff sports competitions and vision screening and health consultation in this year, and enable employees to strike the work-rest balance and effectively improve their physical and mental health.

"See the World with Big Eyes, So You Can See Farther" Vision Screening Activity

In August 2023, Shenzhen International held the "See the World with Big Eyes, So You Can See Farther" vision screening activity, invited the Health Management Centre of Peking University Hospital to provide vision screening and popularise scientific knowledge of eye care for a total of 60 employees and their children, to effectively enhance employees' awareness of eye care and improve their knowledge of eye health, so as to protect and safeguard employees' health.

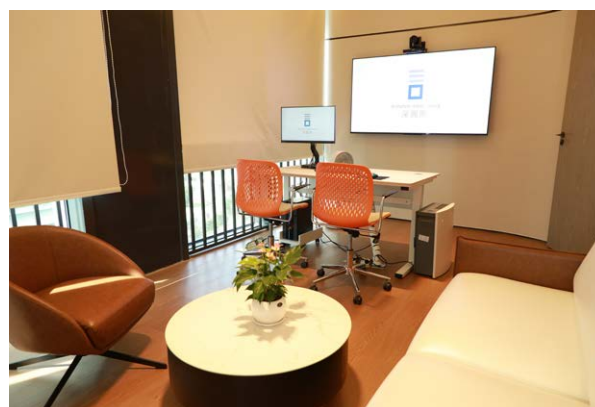


"See the World with Big Eyes, So You Can See Farther" Vision Screening Activity

Health consultation room



Health consultation process



Indoor setting of the health consultation room

2023 Annual Staff Sports Competition

In August 2023, Shenzhen International held the 2023 Annual Staff Sports Competition, in which 19 events of 10 categories were set up, with a total of about 380 participants from 9 teams, building a platform for employees to unite and strive for the best, and at the same time stimulating employees' enthusiasm for sports, health, and vitality, thus creating a healthy and civilised sports culture with high spirits and full participation.



2023 Annual Staff Sports Competition

Safety Production Management

Shenzhen International adheres to the concept of "safety first, prevention first" in all aspects of production and operation of the Company, continuously improves the internal safety policy and system, and is dedicated to building a perfect safety network to protect employees' occupational health and safety, as well as the safety of production and operation, so as to create a safe environment for all the stakeholders.



Construction of safety management system

We strictly abide by the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other national laws and regulations and industry standards, and have formulated internal management systems such as the *Management Measures for Safety Production Policies and Objectives*, *Management Measures for Safety Organisation and Construction*, *Management Measures for Safety Education and Training*, *Management Measures for Fire Safety*, *Measures for Safety Management of Equipment and Facilities*, *Management Measures for Dangerous Operations*, *Management Measures for Safety, Health and Environmental Protection of Related Parties*, *Management Measures for Supervision and Inspection of Production Safety and Investigation of Hidden Hazards*, *Management Measures for Safety Production Emergencies*, and *Administrative Measures for Safety, Health and Environmental Protection Performance Assessment*. We audit the above policies on an annual basis for internal adaptability and update them in accordance with the latest national laws and regulations. The scope of the policies covers all employees of the Company as well as external related parties, including contractors, to clearly define the responsibilities for safety production, guide our employees to comply with the internal regulations, and implement safety management and risk prevention and control.

Safety management structure

Shenzhen International has established a centralized health and safety management system. In accordance with the *Management Measures for Safety Organisation and Construction*, the Safety Production Committee of Shenzhen International, as the highest safety management body of Shenzhen International, under the leadership of the Company's Board of Directors, implements the national policies, laws and regulations on safety production; organises and formulates the Company's guidelines, policies and objectives on safety production; approves the Company's overall development strategy on safety and its performance indicators; organises and carries out the development of the safety culture; coordinates and settles major problems in safety management; and guides the implementation of safety work of the entire Company to achieve full coverage of the safety management of all business units.

The chair of the Safety Production Committee is the Chairman of the Company's Board of Directors and the Company's CEO. The Safety Production Committee has set up the Company's Safety Production Committee Office, serving as the routine executive organ of the Safety Production Committee. According to the internal safety trends and business development needs, the Safety Production Committee Meeting is held on quarterly basis, the Safety Production Work Conference is held on monthly basis, to convey and implement the superior's requirements on safety production work in a timely manner, solve the safety problems in production and operation activities, eliminate hidden hazards, and promote safety management.

Safety targets setting

With the target of zero incident, which applies to all employees within the Company as well as contractors, Shenzhen International has implemented a safety production responsibility system covering all employees, breaking down the responsibility for safety production into units and posts at all levels and associating safety performance with the performance remuneration of the heads and senior management of the relevant business units. The Chairman and the general manager of various segments pay risk deposits every year, which will be deducted in the case of safety incidents or exceeding the targets of the safety responsibility statement.

In order to achieve the above safety targets, in addition to continuously improve our safety management system and management structure, we have also enhanced the Company's safety management level through a series of actions, such as establishing a dual prevention mechanism for risk classification and control of safety production and the identification and management of hidden hazards, carrying out standardised development of safety production, conducting safety training on a regular basis, and setting up special inspections on safety.

Safety management for related parties

For individuals and units, inside and outside the workplace, who are related to or affected by the safety production performance of the Company headquarters and each segment and unit under its direct management, such as contractors, suppliers, and other members of the related parties, Shenzhen International has formulated the *Management Measures for Safety, Health and Environmental Protection of Related Parties* and the *Agreement on the Safety Production Management*, set up the entry threshold for the related parties, clarified the responsibilities and obligations of the related parties for safety production, organised safety inspections on a regular basis and managed the whole process in terms of target setting, policy making, risk assessment, staff training, and performance indicators.

Standardised development of safety production

Shenzhen International has established a standardised production safety management system to achieve full participation, full-process and all-around management, to comprehensively improve production safety management. Each unit should conduct self-assessment on the operation of the standardised safety production management system on an annual basis to verify the appropriateness, adequacy and effectiveness of the various safety production systems and measures, and check the completion of the safety production goals and targets, analyse the operation quality of the standardised management system for safety production in an objective manner, promptly adjust and improve the relevant policy documents and process control, to make continuous improvements and to continuously improve the performance of the safety production.

Improve safety management system

Shenzhen International continues to improve its safety management system. We have built a safety policy system with "scientific content, strict procedures, and effective management", by reference to domestic and international standards such as OHSAS18001, ISO 45001, and safety standardization to consolidate the foundation of safety management, and actively carry out the certification of the occupational health management system. At the end of the Reporting Period, the subsidiaries, including Nanjing Xiba Port Co., Ltd., Shenzhen International Booming Total Logistics Co., Ltd., and Shenyang Shenzhen International Integrated Logistics Hub Real Estate Co., Ltd. have obtained the relevant certifications.



Strengthen safety inspections

Based on safety performance indicators such as the number of work-related injuries, the number of working days lost due to work-related injuries, the number of work-related fatalities, and the coverage rate of safety production training covering our employees and contractors, we conducted various safety inspections such as third-party unannounced inspections, internal cross-inspections, and internal special remediation to eliminate any risks that may arise in the production.

Third-party unannounced inspection

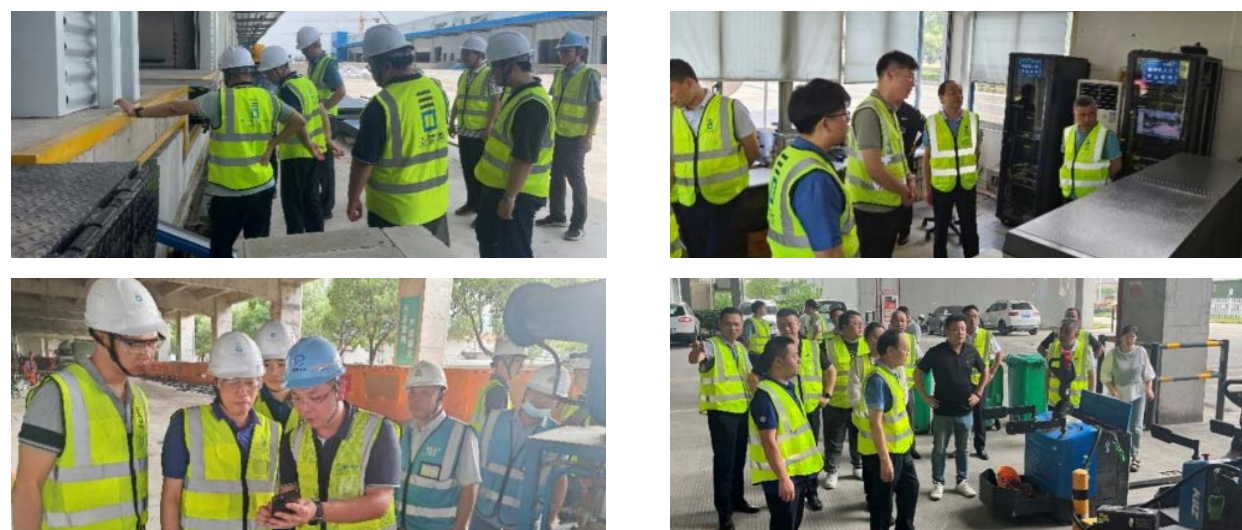
Effective identification of hazardous sources and risk assessment were performed to provide professional advice on enhancement and optimization measures for each unit to prevent risks, eliminate hidden dangers, and curb accidents. During the year, 4 rounds of inspections were conducted on 142 units and 30 *Notification on Remediation of Hidden Hazards* were issued. The remediation rate of non-conformities in each unit has exceeded 99%.

Cross-inspection by the Safety Committee Office

The safety management staff of each unit was selected to inspect the sites outside their jurisdiction, exchanged excellent experiences and practices with each other, and solved on-site hidden safety hazards and management problems. A total of 86 safety inspections were conducted during the year, and 23 *Notifications on Safety Supervision* were issued.

Special work on identifying and remedying major hidden dangers

We have conducted special supervision and inspection, strictly required each unit strengthen the safety management work related to different parties, promoted the implementation of the key control measures, effectively identified all kinds of hidden safety problems, and actively promoted the remediation of hidden dangers to guarantee closed-loop management.



Routine Safety Inspection

Enhance safety skills

In order to enhance employees' safety awareness and strengthen the identity of corporate safety culture, Shenzhen International identifies safety education and training needs on a regular basis, develops and implements safety education and training plans, and ensures the necessary safety education and training resources. Employees without qualification of safety education and training are not allowed to work. This year, we provided our employees with diversified safety training activities and courses to improve the safety quality and capability of our employees at all levels and further safeguard their occupational health and safety through special training and training activities for Fire Safety Month.

Key Performances



Special Training on Elevator Safety Management



Training Activities for Fire Safety Month



Special Training on the Five Essentials of Defensive Driving

Care for Employees

Driven by a people-oriented management philosophy, Shenzhen International attaches importance to the collection and analysis of employees' opinions and consistently improves the working and living conditions through accurate research of employees' needs. The Company aims to provide employees with a highly efficient and comfortable working environment and a diverse corporate cultural life, promoting our sustained development.

Employee Communication

An essential component of ensuring the harmonious and steady growth is effective and efficient employee communication. With the establishment of the Company's Trade Union, Shenzhen International is committed to fulfilling its duties in accordance with the law, serving the employees with enthusiasm, and reflecting and satisfying the demands and wishes of the employees. In order to expand the channels for employees to offer advice and suggestions, we conducted the collection of rationalisation suggestions and established a column of "Call for Good Ideas" in OA and the WeChat official account to actively listen to employees' ideas. Employees whose suggestions are accepted will be rewarded by the Company according to regulations, and their wise advice achievements will be taken as the bonus point factor in the annual performance evaluation. So far, through "I Offer Suggestions for the Group" initiative, 77 rationalisation suggestions have been collected from employees, of which 57 suggestions have been accepted. In addition, we have held the Shenzhen International Micro-innovation Contest for two consecutive years, encouraging our employees to give full play to their talents and creativity in production, operation, management, and other areas.

The Company was awarded "A Home for Advanced Staff" by the Municipal Industry and Transportation Trade Union



Employee Benefits

Since the employees are the cornerstone of corporate development, Shenzhen International is committed to conveying the warmth of the Company and strengthening the cohesion of the Company through sincere care and support.

Actions for employee care

In order to address the challenges faced by the employees in need, the Company has formulated the *Management Measures for Mutual Care Fund for Employees*, established the "triad" employee care mechanism consisting of social medical insurance, Shenzhen Mutual Employee Assistance Plan, and the Company Mutual Assistance and Care Fund, and organised all the employees carry out donations every year. In 2023, the Company's Care Fund provided a total of RMB 512,000 in consolation money, RMB 16,000 in relief payment, and medical assistance to 1 person with a severe illness. In addition, we also regularly arrange birthday meetings, holiday welfare programs, and other care events to narrow the distance between the Company and the employees and foster the employees' sense of closeness to the Company.



"Caring for the Front-line Employees and Providing Summer Relief" Care Event

On 26 July 2023, Shenzhen International held an event themed "Caring for the Front-line Employees and Providing Summer Relief" and provided the front-line service support workers in cleaning, security, canteen, engineering maintenance, and vehicle dispatching, with materials and supplies for heatstroke prevention and cooling, such as summer drinks, cool watermelons, and portable fans. The front-line employees who worked hard in the hot weather received "cool" care.



"Caring for the Front-line Employees and Providing Summer Relief" Care Event



Enrich employees' life

In order to enrich the cultural life of our employees and enhance team cohesion, the Company has taken advantage of its spare time to organise a variety of cultural and sports activities, including basketball, soccer, and yoga interest groups, special activity for Mid-Autumn Festival, etc. to foster team spirit and a sense of belonging. In addition, the Company always attaches great importance to safeguarding the rights and interests of female employees and consistently organises activities to celebrate International Women's Day on 8 March. The Company gives full support and respect to female employees at work and ensures robust protection of their legitimate rights and interests in their daily lives.

Create a healthy space

We place the physical and mental health of our employees at the core of our organization and are committed to creating a healthy and safe workplace. We not only pay attention on the physical safety of the office environment, but also provide many facilities to promote the physical and mental health of our employees, such as the establishment of professional gyms, so that employees can keep exercising in the busy work to improve their health. At the same time, we pay attention to the healthy diet of employees, introduce high-quality canteen services, and provide meal choices with balanced nutrition, to constantly improve the overall satisfaction of employees and enhance the cohesion and competitiveness of the enterprise, creating a warm, healthy and dynamic office atmosphere for employees.

Floral Art Salon Activity for Women's Day on 8 March

In order to enrich the mental and cultural life of female employees, Shenzhen International organised a handmade floral art salon activity on 7 March 2023, with the theme of "poetic floral art". The floral art instructor explained the basic materials of handmade floral art, the selection of flowers, colour matching, floral design, and other knowledge at the activity site. A total of about 50 female employees from the Company headquarters participated in this activity and celebrated an impressive "Goddess Day" in the process of exploring aesthetics, appreciating art, and self-expression.



Floral Art Salon Activity on Women's Day

Staff canteen



Staff gym



Mooncake making activity for Mid-Autumn Festival



5 Collaborating for Building a Warm Community Harmoniously

Shenzhen International places a high priority on optimizing supply chain management and dedicates itself to integrating sustainability philosophy into the process of supply chain management. We view industry exchange and collaboration as a crucial driver for corporate advancement, vigorously collaborate with all social parties to create a new chapter for logistics industry chain. We keep corporate social responsibility in mind, empower rural revitalization with industrial support and promote the harmonious development of society. Meanwhile, leveraging our industrial strengths, we team up with Sinotrans Limited to pioneer the Shenzhen-Europe Railway Express, continuously contributing state-owned company's efforts to the construction of the "Belt and Road".



Obligation Performance

- The signing rate of our integrity agreement with suppliers was **100%**.
- The total charitable expenditures for the year were **RMB 311,600**.
- The Shenzhen-Europe Express Rail involves **41** countries along the "Belt and Road" and has run **554** times in total, with a total value of goods exceeding **1.7 billion** U.S. dollars.

Response to ESG major issues in this chapter

- Supply chain management
- Responsible purchasing
- Community investment
- Green finance

Response to relevant SDG issues in this chapter



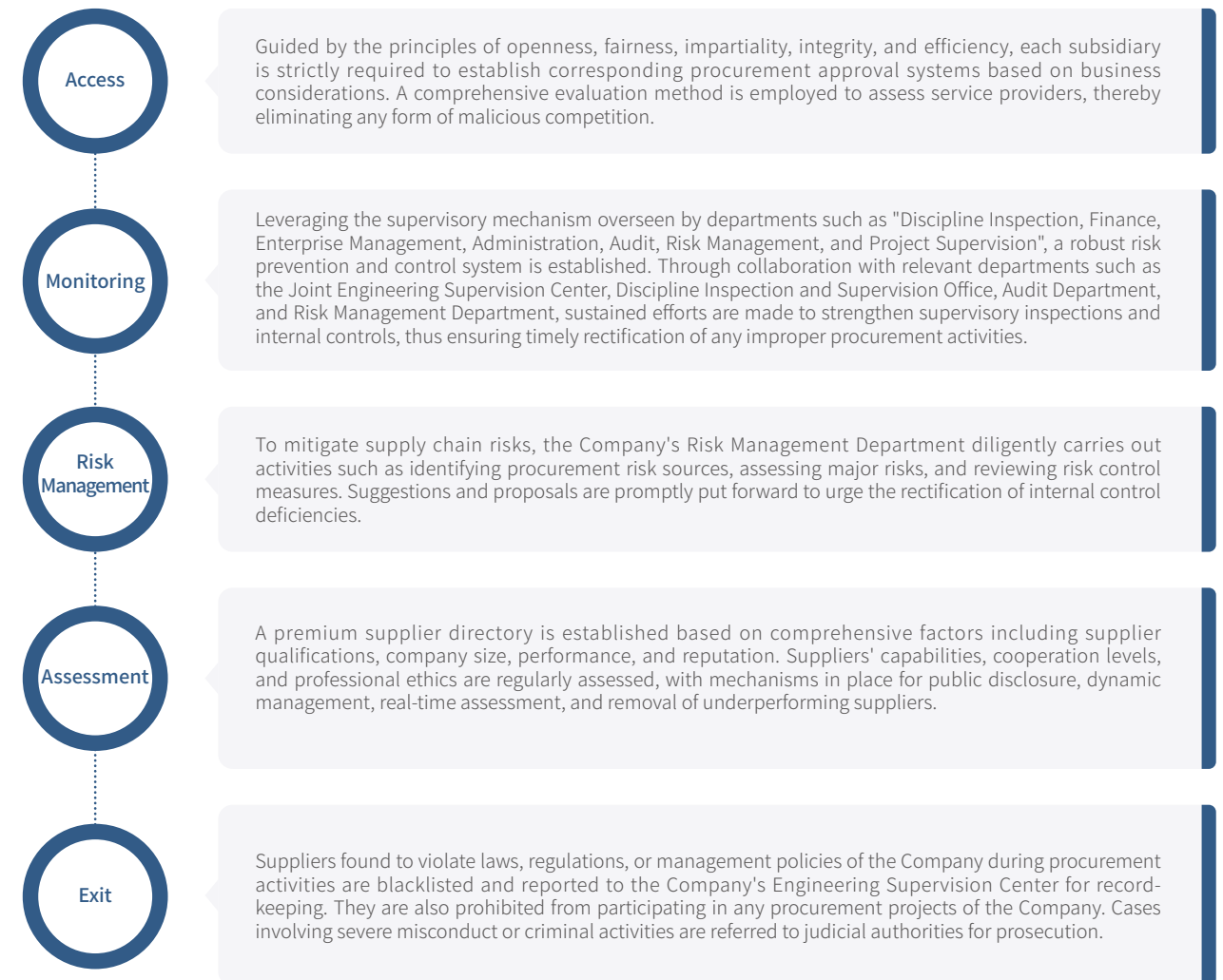
Supply Chain Management

In strict accordance with relevant laws and regulations such as the *Regulations on the Implementation of the Bidding Law of the People's Republic of China*, Shenzhen International continually refines its supplier management system and stays committed to building a responsible supply chain, developing mechanisms for preventing environmental, social, and governance risks in the supply chain, and fostering an efficient supply chain management framework.

Supplier Management System

The Company has established internal management regulations such as the *Measures of Shenzhen International Holdings Limited for Procurement Management* and the *Measures for Management of Selecting Intermediary Agencies*, which outline and standardize basic principles of procurement, procurement procedures, evaluation methods, and supervisory management. This ensures comprehensive closed-loop management from supplier access to supplier assessment and further to supplier exit.

Supplier Management Process:



Sustainable Supply Chain

Shenzhen International incorporates responsible procurement and green purchasing concepts into supply chain management process. In the tendering process, we include and progressively tighten up requirements regarding environmental, social, and governance aspects. Through measures such as publishing procurement information on the Sunshine Procurement Service Platform and strengthening alert management, we ensure the openness and transparency of information on collaboration.

ESG Management in the Supply Chain

The Company imposes responsibility requirements on construction contractors, property management service contractors, and other service providers through internal regulations such as the *General Contract for Construction Works*, *Property Management Manual*, and the *Management and Selection Method for the List of Intermediary Agencies*. These requirements include reducing emissions of waste gas, wastewater, and solid waste, protecting the health and safety of employees, and ensuring employee compensation. Concurrently, Shenzhen International vigorously engages in local procurement to reduce environmental impacts caused by transportation and packaging, and renders full support to local economic development.

Integrity Building in the Supply Chain

Holding steadfast to high standards of business ethics, Shenzhen International upholds the principle of integrity in operations and strives to build a responsible supply chain and create a fair and just business environment. We have signed the *Anti-Commercial Bribery Agreement* with all suppliers to prohibit any form of bribery, corruption, or unethical conduct between the parties in economic exchange activities, ensuring both parties' business activities are conducted in a compliant, ethical, and orderly manner. In 2023, the signing rate of our integrity agreement was 100%.

Key Performances

The signing rate of our integrity agreement was

100%

Industry Exchange and Collaboration

Shenzhen International continues to advance collaboration with strategic partners from various sectors such as business and academia, thereby achieving complementary advantages in critical resources, enhancing core competitiveness, and working together to achieve mutual success.

Industry Exchange

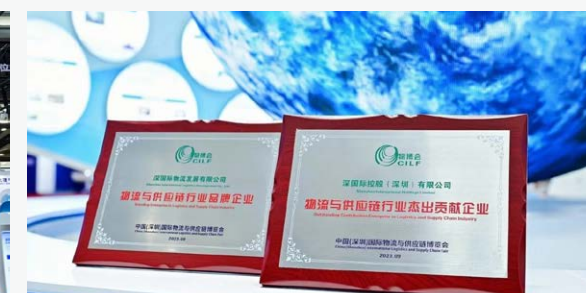
Shenzhen International takes the initiative in industry exchange to collectively promote the development and innovation in the supply chain industry. In 2023, Shenzhen International Properties and Management (Shenzhen) Co., Ltd. hosted the South China Digital Valley Industry Summit series of activities. Through formats such as industry summits, 10-participant forums, future-oriented entrepreneur roundtables, policy interpretation, thematic training, cross-industry collaborations, and international exchange activities, we provided diversified services for resident enterprises, enabling innovative businesses to thrive.

Shenzhen International at China (Shenzhen) International Logistics and Supply Chain Fair

In September 2023, Shenzhen International Holdings Limited made a prominent appearance at the 17th China (Shenzhen) International Logistics and Supply Chain Fair (referred to as the "Logistics Fair"), showcasing its panoramic logistics business layout encompassing "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure" along with "Intelligent and Cold Chain Logistics", as well as its core resource advantages. It earned accolades such as "Branded Enterprise in the Logistics and Supply Chain Industry" and "Outstanding Contribution Enterprise in the Logistics and Supply Chain Industry", which underscored Shenzhen International's development and operational capabilities in the field of smart logistics infrastructure.



Shenzhen International's Booth at the Logistics Fair



Shenzhen International Honored as "Outstanding Contribution Enterprise in the Logistics and Supply Chain Industry"

Industry-Academia-Research Collaboration

Shenzhen International is committed to facilitating the sharing of technology and innovation resources by building bridges of collaboration between businesses, universities, and research institutes. In 2023, the Company continued to deepen its partnerships with universities such as Beijing Jiaotong University, Wuhan University of Technology, and Tsinghua University, thus delving into the forefront areas of the logistics industry, giving full play to complementary strengths, and fueling talent development at these institutions.

Shenzhen International Postdoctoral Innovation & Research Base

In March 2023, Shenzhen International Holdings Limited officially inaugurated its Postdoctoral Innovation & Research Base to attract high-caliber young technological innovators. Within the same year, the base incubated research outcomes such as the "Research Report on the Integrated Multimodal Transportation ("Road Freight Logistics", "Railway Freight Logistics" and "Marine Freight Logistics") at Shenzhen Pinghunan Integrated Logistics Hub", contributing significantly as a vital platform to promote the integration of industry, academia, and research, accelerate the industrialization of innovations, and bolster the innovation capabilities of enterprises.



Inauguration of Shenzhen International Postdoctoral Innovation & Research Base



Community Building

Community Communication and Engagement

Shenzhen International has the conviction that maintaining harmonious community relationship is crucial for fostering the sustainable development of businesses and society. Therefore, we are committed to establishing smooth community engagement platforms for all stakeholders in every project. We give full consideration to the interests of stakeholders throughout the project's assessment, preliminary research, construction and operation phases. By taking necessary strategies and measures, we remain active in community building activities to promote the prosperity and development of the community.

Within the scope of our operations, Shenzhen International pledges to:

- 1. Establish long-term community engagement and communication mechanisms, continuously monitor the community impact of projects, and provide local community members with formal communication channels such as complaint hotlines and petition channels.
- 2. Uphold the rights and interests of local residents and land use practices in project areas, ensure that traditional lifestyles and land use practices in the project area are fully considered and actively assessed before project initiation or occupancy, and formulate corresponding strategies and measures to minimize disruption to the local community caused by project construction.
- 3. Employ formal community research measures such as local community visits, questionnaire surveys, and expert interviews, carefully listen to the demands of the local community, deeply understand and respect the needs and expectations of the local community and provide timely and appropriate responses to their concerns.
- 4. Organize or participate in communication meetings involving local community members, academic experts, and other stakeholders and external organizations, collaborate with the local community to jointly identify the core interests and demands of the local community, participate in the formulation of policies and action plans aimed at protecting community rights, ensure effective protection of community interests, and evaluate the actual effectiveness of protection measures.
- 5. Refrain from conducting any activities that may cause damage to historical, cultural, and ecological environments within natural preserves, World Heritage sites, national parks, and other protected areas, and take proactive measures to ensure that business activities do not have adverse effects on the natural landscapes, historical sites, and biodiversity of these special areas.

Preserving Revolutionary Sites and Promoting Red Culture

Shenzhen International undertakes initiatives such as the restoration of historical buildings, the establishment of exhibition halls, historical research, and the distribution of publications to unearth and safeguard the red resources in Shangguan, transforming it into a distinctive tourist attraction characterized by "ancient charm and red heritage."

Infrastructure Enhancement of Revolutionary Sites

We allocated a total of RMB 5.84 million for the construction of an exhibition hall at the former site of CPC Jiulian Regional Committee and the Commander's Headquarters of the Guangdong-Jiangxi Border Detachment. This included exterior renovations of the old site and upgrades to internal exhibition arrangements. Additionally, we secured RMB 3 million in self-raised support funds from rear entities and social forces for the construction of the Red Memorial Square of CPC Jiulian Regional Committee.



Opening Ceremony of the Former Site (Exhibition Hall) of CPC Jiulian Regional Committee and the Commander's Headquarters of the Guangdong-Jiangxi Border Detachment

Preservation of Red Cultural Resources

We collaborated with the Party History Research Office of the Municipal Party Committee and the County Party Committee to systematically and comprehensively review the red history of Shangguan. We published *Red Reflections of Shangguan -- The Birthplace of the People's Government of Heyuan County* and held a book launch and seminar on 7 December 2023 at the Former Site (Exhibition Hall) of CPC Jiulian Regional Committee and the Commander's Headquarters of the Guangdong-Jiangxi Border Detachment.



Book Launch for the *Red Reflections of Shangguan*

By virtue of these measures, we not only enhance the infrastructure of revolutionary sites but also preserve and promote red cultural resources, injecting new vitality into the tourism development in Shangguan.

Furthermore, Shenzhen International vigorously engages in philanthropic endeavors, contributing its share through tangible actions in various fields such as education, environmental protection, health promotion, cultural heritage, and sports development. In the year 2023, we provided significant support for the organization of Shenzhen Marathon 2023, not only fostering the development of the sports industry and encouraging public participation in healthy lifestyles, but also further increasing societal attention and support for philanthropic endeavors.

Shenzhen International's Contribution to Shenzhen Marathon 2023

On 3 December 2023, Shenzhen Marathon 2023 was held under the theme "New Era, New Shenzhen Marathon" at the Shenzhen Civic Center Square. The organizers of the event expressed their full recognition of Shenzhen International's support for cultural and sports undertakings in Shenzhen and awarded Shenzhen International with the title of "Strategic Partner". In the future, Shenzhen International will continue to fulfill its mission as a state-owned enterprise, support the high-quality development of the real economy, assist various undertakings in Shenzhen, and contribute its share to the economic and social development of the Guangdong-Hong Kong-Macao Greater Bay Area.



Shenzhen International Rendering Full Support to Shenzhen Marathon 2023

Supporting Rural Revitalization

Consistently upholding its corporate responsibilities, Shenzhen International vigorously fulfills corporate social responsibility and actively responds to the national strategy of rural revitalization. In 2023, we provided targeted assistance to Shangguan Town in Dongyuan County, with a particular focus on industrial support. As a result of initiatives such as infrastructure construction and agricultural assistance, we contributed to the local economic development of Shangguan Town in Dongyuan County.

Conducting Medical Outreach Activities

To demonstrate care for public health and bring medical services and medications to the grassroots level, a collaborative team composed of staff members from Shenzhen International and Shenzhen People's Hospital launched a series of medical outreach activities in Shangguan Town. Specific services included:

<div data-bbox="114 818 226 922" data-label="Section-Header"> <h4>Medical Outreach</h4> </div> <ul style="list-style-type: none"> ◆ Over 100 residents participated in on-site medical consultations ◆ Medications worth over RMB 2,000 were provided free of charge ◆ For patients unable to visit the consultation site due to mobility issues, home-based medical consultation/check-up and medication delivery services were offered 	<div data-bbox="740 818 861 922" data-label="Section-Header"> <h4>School-Based Health Check</h4> </div> <ul style="list-style-type: none"> ◆ A "Stand Tall, Grow Strong" campaign for adolescent spinal health was conducted ◆ Spinal health screenings were performed for more than 850 primary and secondary school students in the town
<div data-bbox="114 1098 226 1201" data-label="Section-Header"> <h4>Oral and Eye Health Education in School</h4> </div> <ul style="list-style-type: none"> ◆ Educational activities on oral and eye health were conducted for children, guiding them in developing good hygiene practices and cultivating good habits 	<div data-bbox="740 1098 861 1201" data-label="Section-Header"> <h4>Training Session</h4> </div> <ul style="list-style-type: none"> ◆ Professional training was provided to over 40 village doctors in Shangguan Town, focusing on key aspects of diabetes diagnosis and treatment to enhance their capabilities in diagnosing and treating chronic diseases such as diabetes and hypertension

Through these medical outreach activities, Shenzhen International successfully brought quality medical services to the grassroots level, thereby improved health status of residents and demonstrated importance of health poverty alleviation and health support

Empowering Rural Revitalization with Industrial Support

In a bid to foster the development of agriculture and tourism in Shangguan Town and enhance the quality of life for local residents, the Shenzhen International task force actively intervened and collaborated with relevant entities to kick off a string of development projects.

Simiao Rice Agro-Industrial Park Project

- ◆ In 2023, Shenzhen International, in collaboration with other entities, successfully secured a RMB 3 million agricultural assistance loan for the Yumin Cooperative in Shangguan Town, promoting the smooth establishment of the seedling cultivation base and drying facility in Simiao Rice Agro-Industrial Park.



Simiao Rice Agro-Industrial Park Project

Creation of Xianhu AAA Scenic Spot

- ◆ Shenzhen International actively coordinated with various government departments to empower policy initiatives at higher levels. This support led to the successful application for the national AAA-level tourist attraction designation for Shangguan Town and the first national geographic indication product in Heyuan City, "Dongyuan Xianhu Tea". In 2023, Shangguan Town was awarded the national honorific title of "China's Beautiful Tea Mountain".



Unveiling Ceremony for Xianhu AAA Scenic Spot

Special Bond Project for the Integrated Development of Xianhu Tea Industry

- ◆ Shenzhen International plans to launch a local government special bond project focusing on the integrated development of Xianhu Tea industry in the future, aiming to secure national financial support for Shangguan Town.

Certification of Naturally Selenium-Rich Soil

- ◆ Preliminary investigations indicated that soil samples extracted from Xianhu Mountain in Shangguan Town exhibited selenium concentrations that exceeded the national standard by approximately 1.5 to 2-fold. To enhance the brand value of "naturally selenium-rich", Shenzhen International initiated the certification of naturally selenium-rich soil, thereby gradually elevating the brand strength of Xianhu Tea.

Through the implementation of these projects, not only has Shangguan Town received economic support, but it has also sharpened the competitive edges of local agriculture and tourism industries, bringing about more development opportunities and income sources for residents.

Facilitating Rural Revitalization with "Three-Sharing" Practical Training Activities

Shenzhen International strategically integrates its cadre education and training with rural revitalization efforts by innovatively conducting the annual "Three-Sharing" practical training. In a mere seven days, participants engaged in an array of meaningful activities, including spring plowing and planting, vegetable cultivation, and livestock farming. They immersed themselves comprehensively in rural life, sharing meals, accommodations, and labor with the local villagers. Additionally, we actively supported the collective and individual income growth of villages, contributed a cumulative total of RMB 100,000 to Changmei Village, Xinmin Village, and Xinlun Village, which in turn stimulated consumption support exceeding RMB 150,000.



Transplanting Rice Seedlings in Spring



Shenzhen International Leading Efforts to Facilitate Rural Revitalization

Paired Assistance Symposium

In October 2023, a delegation of ranking officials, including Secretary of CPC Shangguan Township Committee in Dongyuan County, visited Shenzhen International for a paired assistance revisit and exchange activity. They presented the Company with a plaque reading "Contributing to Rural Revitalization and Manifesting the Responsibilities of State-owned Enterprises," expressed sincere gratitude to Shenzhen International for their long-term "heartfelt, compassionate, and dedicated" support.



Shangguan Township Paired Assistance Symposium

Co-building the Belt and Road

Leveraging its industrial strengths, Shenzhen International vigorously engages in the construction of the "Belt and Road". By teaming up with Sinotrans Limited, Shenzhen International has pioneered the Shenzhen-Europe Railway Express, established a convenient channel for regional economic integration under the "Belt and Road" Initiative. In the meantime, this initiative widened economic, trade, and cultural exchanges between the Greater Bay Area and countries along the "Belt and Road".

Shenzhen-Europe Railway Express Facilitating the "Belt and Road" Initiative

As a significant carrier of China's "Belt and Road" Initiative, the Shenzhen-Europe Railway Express efficiently connects global resources and continuously serves as a trade bridge contributing Shenzhen's efforts to the joint construction of the "Belt and Road".

Operational Highlights

Conducted	Increased frequency to	Expanded routes to
554 trips of Shenzhen-Europe Railway Express	3 times per week	18

Freight Statistics

Accumulated freight volume exceeding	Total freight value surpassing
50,000 TEUs	1.7 billion US dollars

Coverage

Encompasses	including		
41 countries along the "Belt and Road"	35 countries in Central Europe	4 countries in Central Asia	2 countries in Southeast Asia

The role of the Shenzhen-Europe Railway Express as a trade bridge continues to strengthen by providing broader market access for manufacturers in Shenzhen and its surrounding areas, facilitating the international market entry of "Greater Bay Area Intelligent Manufacturing" products, and contributing to economic cooperation and development in countries along the "Belt and Road".



Premium Shenzhen-Europe Railway Express, dubbed "Bay Area Express"

Appendices

Index of HKEX ESG Indicators

Mandatory Disclosure Indicator		
Aspects	Indicator content	Corresponding location in the Report
	a disclosure of the board's oversight of ESG issues	Sustainable Development Management
Governance Structure	the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	Sustainable Development Management
	how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainable Development Management
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report

"Comply or Explain" Indicators			
Environmental			
Aspect	Indicator No.	Indicator content	Corresponding location in the Report
	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.	Environmental Management Building Green Ports Eco-Environmental Protection Tackling Climate Change
A1: Emissions	A1.1	The types of emissions and respective emissions data.	Building Green Ports ESG Performance Indicators
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building Green Ports ESG Performance Indicators
	A1.3	Total hazardous waste produced (in tonnes) and (where appropriate) intensity (e.g. per unit of production volume, per facility).	Building Green Ports ESG Performance Indicators
	A1.4	Total non-hazardous waste produced (calculated by tonnes) and (where appropriate) intensity (e.g. per unit of production volume, per facility).	Building Green Ports ESG Performance Indicators
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Management Building Green Ports
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management Building Green Ports
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management Building Green Ports
	A2.1	Direct and/or indirect energy consumption by type (such as electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Building Green Ports ESG Performance Indicators

"Comply or Explain" Indicators			
A2: Use of Resources	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Building Green Ports ESG Performance Indicators
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management Building Green Ports
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management Building Green Ports
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	ESG Performance Indicators
	A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Eco-Environmental Protection
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Change
Social			
Aspect	Indicator No.	Indicator content	Corresponding location in the Report
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.	Employees' Rights and Interests Training Development Care for Employees
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group, and geographical region.	Employees' Rights and Interests ESG Performance Indicators
	B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Performance Indicators
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.	Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Performance Indicators
	B2.2	Lost days due to work injury.	ESG Performance Indicators
B3: Development and Training	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety
	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training Development
	B3.1	The percentage of employees trained by gender and employee category (such as senior management, middle management).	ESG Performance Indicators
	B3.2	The average training hours completed per employee by gender and employee category.	ESG Performance Indicators

"Comply or Explain" Indicators			
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.	Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employees' Rights and Interests
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	ESG Performance Indicators
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Compliant Operation Craftsmanship and Quality High-Quality Services
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Company does not involve product recall.
	B6.2	Number of products and service related complaints received and how they are dealt with.	High-Quality Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Compliant Operation
	B6.4	Description of quality assurance process and recall procedures.	Craftsmanship and Quality
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	High-Quality Services
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.	Compliant Operation
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliant Operation ESG Performance Indicators
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliant Operation
B8: Community Investment	B7.3	Description of anti-corruption training provided to directors and staff.	Compliant Operation ESG Performance Indicators
	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.	Community Building
	B8.1	Focus areas of contribution (such as education, environmental matters, labor needs, health, culture, sports).	Community Building
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Building ESG Performance Indicators

List of ESG Policies and Regulations

ESG indicators	Laws and regulations	Internal policies
A1: Environmental	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Environmental Impact Assessment Atmospheric Pollution Prevention and Control Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes Marine Environmental Protection Law of the People's Republic of China Land Administration Law of the People's Republic of China Regulations of the People's Republic of China on Nature Reserves Regulation on Land Reclamation	Environmental Protection Management System Management Measures for the Assessment of Energy Conservation and Consumption Reduction Management Measures for the Collection and Disposal of Hazardous Waste Water Pollution Prevention, Control and Management Measures Water Pollution Management Policy Management Measures for Waste Materials Management System for the Bulk Cargo Dust Control Management System Management Measures for Ship Pollutants Construction Waste Management System Guidance Manual for Construction Waste Reduction at Construction Sites Regulations on Safety, Health and Environmental Protection Safety, Health and Environmental Protection Management Regulations Administrative Measures for Safety, Health and Environmental Protection Performance Assessment Special Emergency Plan for Typhoon and Flood Prevention Emergency Plan for Cold Currents and Heavy Snow Weather Special Emergency Plan for Natural Disasters (Earthquakes) Greenhouse Gas Emission Management Regulations
B1: Employment	Labor Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors Labor Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Regulation on Paid Annual Leave for Employees Provisions of the State Council on the Working Hours of Employees Regulation on Public Holidays for National Annual Festivals and Memorial Days Interim Provisions on Wages Payment	Employee Handbook Measures for the Management of Employee Recruitment in Shenzhen International Holdings Limited Regulations on Leaders Selection and Appointment of Shenzhen International Holdings Limited Employee Recruitment Guidelines of Subsidiaries of Shenzhen International Holdings Limited Salary Management System Assessment Measure of the Performance Management Measures for the Management of Employee Leave and Overtime Working Management Measures for Mutual Care Fund for Employees
B2: Health and Safety	Labor Law of the People's Republic of China Work Safety Law of the People's Republic of China Fire Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Regulation on the Work-related Insurance of the People's Republic of China Emergency Response Law of the People's Republic of China	Management Measures for Safety Production Policies and Objectives Management Measures for Safety Organisation and Construction Management Measures for Safety Education and Training Management Measures for Fire Safety Measures for Safety Management of Equipment and Facilities Management Measures for Dangerous Operations Management Measures for Safety, Health and Environmental Protection of Related Parties Management Measures for Supervision and Inspection of Production Safety and Investigation of Hidden Hazards Management Measures for Safety Production Emergencies, and Administrative Measures for Safety Health and Environmental Protection Performance Assessment
B3: Development and Training	/	Measures for the Management of Employee Training of Shenzhen International Holdings Limited Measures for the Management of Position and Promotion of Shenzhen International Holdings Limited

ESG indicators	Laws and regulations	Internal policies
B4: Labor Standards	Labor Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors Labor Contract Law of the People's Republic of China	Employee Handbook Measures for the Management of Employee Recruitment in Shenzhen International Holdings Limited Employee Recruitment Guidelines of Subsidiaries of Shenzhen International Holdings Limited
B5: Supply Chain Management	The Bidding Law of the People's Republic of China Regulation on the Implementation of the Bidding Law of the People's Republic of China	Measures of Shenzhen International Holdings Limited for Procurement Management Measures for Management of Selecting Intermediary Agencies Property Management Manual Anti-commercial Bribery Agreement
B6: Product Responsibility	Product Quality Law of the People's Republic of China Telecommunication Regulation of the People's Republic of China Provisions on Protecting the Personal Information of Telecommunications and Internet Users Advertising Law of the People's Republic of China Trademark Law of the People's Republic of China Patent Law of the People's Republic of China Copyright Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Personal Information Protection Law of the People's Republic of China Cybersecurity Law of the People's Republic of China	Engineering Supervision Management Measures Engineering Unannounced Inspection Work Guidelines Engineering Completion Acceptance Supervision Work Guidelines Engineering Quality Management System Guidelines for Technical Risk Assessment in Project Engineering Reports Administrative Measures for Innovative Incentives Administrative Measures for Innovative Support Funds Implementation Rules for Special Funds for Investments in Innovations Digital Management Measures Management Regulations on Digital Project Construction Implementation Rules for Digital (Information Technology) Project Management Complaint Registration Form Guidelines for Daily Operation of Customer Service Team Personal Privacy Protection System for Network Application Platforms Information Asset Management Measures Privacy Agreement Interim Measures for Public Opinion Detection and Response Interim Measures for Information Propagation Interim Measures for Brand Management Program for Measuring Customer Satisfaction Satisfaction Survey Work Plan Genuine Software Licensing Management Measures Group Information Security Management Measures
B7: Anti-corruption	Criminal Law of the People's Republic of China Company Law of the People's Republic of China Anti-money Laundering Law of the People's Republic of China Anti-monopoly Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China	Anti-Fraud Management Measures Risk Prevention and Control Guidelines for Working with Integrity Confidentiality Management Regulations for Disciplinary Inspection and Supervision Work Policy for Reporting Misconduct
B8: Community Investment	/	/

ESG Performance Indicators⁶

Data Description

In 2023, in order to proactively respond to the increasingly stringent ESG regulatory disclosure requirements and grasp the future development trend, Shenzhen International has comprehensively launched the ESG management enhancement work, focusing on the sorting out and adjusting the ESG indicator system, with the aim of optimizing the caliber of the indicator management and the data statistics management mechanism, and ensuring the accuracy and transparency of the information. In the future, Shenzhen International will follow the current data statistics caliber and methodology and continue to improve the management and disclosure of indicators.

ESG Indicator Performance Table

Category	ESG indicator	Unit	2023
A. Environmental			
	A1.1 The types of emissions and respective emissions data		
	Respirable suspended particulates	Kg	731.60
	Sulphur oxides	Kg	422.95
	Nitrogen oxides	Kg	10,638.83
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity		
	Direct greenhouse gas emissions (Scope 1) ⁷	Tonne of CO ₂ e	2,924.40
	Indirect greenhouse gas emissions (Scope 2) ⁸	Tonne of CO ₂ e	28,549.00
A1 Emissions	Other indirect greenhouse gas emission (Scope 3) ⁹	Tonne of CO ₂ e	603.25
	Total greenhouse gas emissions (Scopes 1, 2 and 3)	Tonne of CO₂e	32,076.65
	Total greenhouse gas emission intensity (by area)	Tonne of CO₂e/square meter	0.01
	A1.3 Total hazardous waste produced and intensity		
	Total hazardous waste	Tonne	1.09
	Total hazardous waste landfilled	Tonne	0.53
	Total hazardous waste recycled	Tonne	0.56
	Hazardous waste intensity (by area)	Tonne/10,000 square meter	0.0019

⁶ The statistical scope of the 2023 ESG indicators can be found in the Scope of Report section of the "About This Report".

⁷ Scope 1 GHG emissions in 2023 are mainly from the use of fossil energy, refrigerants and fire extinguishers. For relevant emission factors, please refer to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, General Principles for Calculation of the Comprehensive Energy Consumption of China (GB/T2589-2020), and the Guidelines for Accounting Methods and Reporting on Greenhouse Gas Emission of Other Industrial Enterprises (Trial).

⁸ Scope 2 GHG emissions in 2023 are mainly from the use of purchased heat and purchased electricity. The relevant emission factors refer to the Notice on the Work Related to the Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Sector in 2023-2025 and the Guidelines for Accounting Methods and Reporting on Greenhouse Gas Emission of Other Industrial Enterprises (Trial).

⁹ Scope 3 GHG emissions in 2023 are mainly from business travel, which includes airplanes, high-speed rail, and hotel stays. The relevant emission factors refer to the China Products Carbon Footprint Factors Database.

Category	ESG indicator	Unit	2023
	A1.4 Total non-hazardous waste produced and intensity		
	Total non-hazardous waste	Tonne	8,153.91
	Total non-hazardous waste landfilled	Tonne	5,209.78
A1 Emissions	Total non-hazardous waste incinerated	Tonne	1,345.48
	Total non-hazardous waste reused	Tonne	132.01
	Total non-hazardous waste recycled	Tonne	0.44
	Total non-hazardous waste disposed of through other channels	Tonne	1,466.20
	Non-hazardous waste intensity (by area)	Tonne/10,000 square meter	14.21
	A2.1 Direct or indirect energy consumption by type in total and intensity		
	Gasoline	MWh	1,072.70
	Diesel oil	MWh	3,498.58
	Natural gas	MWh	4,557.33
	Liquefied petroleum gas	MWh	172.57
	Renewable energy used	MWh	820.38
	Purchased electricity	MWh	50,037.44
	Purchased steam	MWh	31.93
	Direct energy	MWh	10,121.56
	Indirect energy	MWh	50,069.37
A2 Use of resources	Total energy consumption	MWh	60,190.93
	Total energy consumption density (by area)	MWh/square meter	0.01
	A2.2 Water consumption in total and intensity		
	Total water consumption	Cubic meter	651,392.16
	Total water consumption intensity (by area)	Cubic meter/ square meter	0.11
	Recycled water consumption	Cubic meter	567,875.80
	Discharge amount of wastewater	Cubic meter	242,072.26
	A2.5 Total packaging material used for finished products and with reference to per unit produced		
	Total amount of packaging materials used	Tonne	9.91
	Intensity of packing materials used (by area)	Tonne/1,000,000 square meter	1.73

Category	ESG indicator	Unit	2023
B. Social			
	B1.1 Number of employees: classified by gender, employment type, age group and geographical region		
	Total workforce	Person	1,591
	By gender		
	Male	Person	1,051
	Female	Person	540
	By employment type		
	Full-time	Person	1,591
	Part-time	Person	0
	By rank		
	Senior management	Percentage	9
	Middle management	Percentage	85
	General/grassroots staff	Percentage	1,497
	By age		
	30 or below	Percentage	372
	31 to 40	Percentage	733
	41 to 50 and above	Percentage	336
	51 or above	Percentage	150
B1 Employment	By region		
	Chinese mainland	Percentage	1,567
	Hong Kong, Macao and Taiwan regions	Percentage	24
	Overseas areas	Percentage	0
	B1.2 Employee turnover rate: classified by gender, employment type, age group and geographical region		
	Overall employee turnover rate	Percentage	4.78
	By gender		
	Male	Percentage	4.85
	Female	Percentage	4.63
	By age		
	30 or below	Percentage	6.18
	31 to 40	Percentage	3.27
	41 to 50 and above	Percentage	3.57
	51 or above	Percentage	11.33
	By region		
	Chinese mainland	Percentage	4.79
	Hong Kong, Macao and Taiwan regions	Percentage	4.17
	Overseas areas	Percentage	0

Category	ESG indicator	Unit	2023	2022	2021
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years (including the reporting year)				
	Number of work-related fatalities	Person	0	0	0
	Rate of work-related fatalities	Percentage	0	0	0
B2 Health and Safety	B2.2 Working days lost due to work-related injury				
	Number of work-related injuries	Person	2	0	0
	Percentage of work-related injuries	Percentage	0.13	0	0
	Working days lost due to work-related injury / number of leave days due to work-related injury	Day	229	0	0

Category	ESG indicator	Unit	2023
	B3.1 The percentage of employees trained by gender and employee category		
	Percentage of employees trained	Percentage	100
	Percentage of employees trained by gender		
	Male employees	Percentage	100
	Female employees	Percentage	100
	Percentage of employees trained by rank		
	Senior management	Percentage	100
	Middle management	Percentage	100
	General/grassroots staff	Percentage	100
B3 Development and Training	B3.2 The average training hours completed per employee by gender and employee category		
	Total training hours of employees	Hour	25,944
	Average training hours of employees	Hour	16.31
	Average training hours of male or female employees		
	Average training hours of male employees	Hour	17.85
	Average training hours of female employees	Hour	13.31
	Average training hours of different rank		
	Average training hours of senior management	Hour	44.33
	Average training hours of middle management	Hour	43.69
	Average training hours of general/grassroots staff	Hour	14.58

Category	ESG indicator	Unit	2023
B5 Supply chain management	B5.1 Number of suppliers by geographical region		
	Total number of product suppliers	Supplier	911
	Product suppliers – Chinese mainland	Supplier	889
	Product suppliers - Hong Kong and Macao regions	Supplier	22
	Product suppliers - overseas areas	Supplier	0
	Total number of engineering suppliers	Supplier	339
	Engineering suppliers - Chinese mainland	Supplier	338
	Engineering suppliers - Hong Kong and Macao regions	Supplier	1
	Engineering suppliers - overseas areas	Supplier	0
	Total number of suppliers	Supplier	1,250
B6 Product responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons		
	Products subject to recalls	Percentage	<i>Not applicable</i>
	B6.2 Number of products and service related complaints received		
	Total number of products and service related complaints	Time(s)	0
	Number of negative events caused by the Company's own products or services	Time(s)	0
	B6.3 Description of practises relating to observing and protecting intellectual property rights		
	Number of patents applied for	Patent	6
Number of patents granted	Patent	13	
B7 Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practises brought against the issuer or its employees during the reporting period and the outcomes of the cases		
	Legal cases regarding corrupt practises	Case	0
	B7.3 Description of anti-corruption training provided to directors and staff		
	Number of directors participating in anti-corruption	Person	4
	Number of employees participating in anti-corruption training	Person	150
	Hours of anti-corruption training	Hour	120
	Hours of anti-corruption training for directors	Hour	52
Hours of anti-corruption training for employees	Hour	68	
B8 Community investment	B8.2 Resources contributed to the focus area		
	Total investment in the public welfare	RMB'0,000	31.16
	Number of hours for participating in the public welfare/ volunteer activities by employees	Hour	125.50
	Total number of people participating in the public welfare/ volunteer activities	Person	130

