

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

(Incorporated in Bermuda with limited liability)

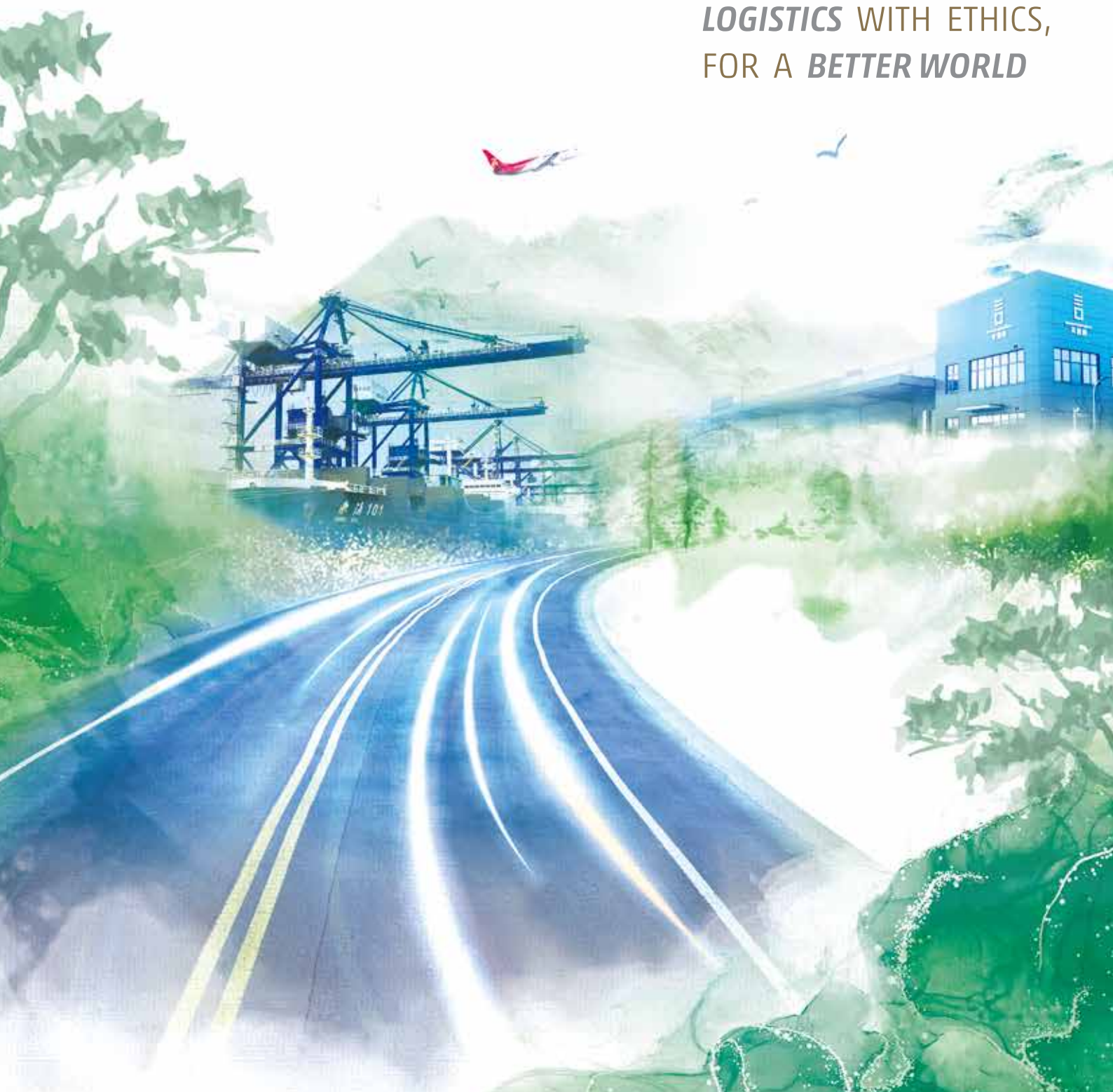
Stock Code : 00152



Shenzhen International
深國際

Environmental, Social
and Governance Report
2021

*LOGISTICS WITH ETHICS,
FOR A BETTER WORLD*





LOGISTICS WITH ETHICS,
FOR A *BETTER WORLD*



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About the Group

Shenzhen International Holdings Limited (“Shenzhen International” or the “Company”) and its subsidiaries (collectively, the “Group”), a company incorporated in Bermuda, is listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group is indirectly held as to approximately 43.48%¹ equity interest by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal through Shenzhen Investment Holdings Company Limited. The Group is principally engaged in logistics, toll road, port and general-environmental protection businesses. The Group defines the Guangdong-Hong Kong-Macao Greater Bay Area (the “Greater Bay Area”), the Yangtze River Delta and the Pan-Bohai Rim as regions of strategic importance. It endeavours to invest in, construct and operate logistics infrastructure projects including integrated logistics hubs and toll roads through expansion, mergers and acquisitions, restructuring and consolidation. On top of that, it also provides value-added logistics services to its clients. The Group expands into various business segments such as comprehensive development of lands related to the logistics industry as well as investment in and operation of general-environmental protection business with the aim of creating greater value for its shareholders.

2021 was the first year when China started to realize “Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035 of the People’s Republic of China” (the “14th Five-Year Plan”). According to the 14th Five-Year Plan, China will forge ahead with the construction of modern logistics system and acceleration of cold chain logistics, and build around 120 national logistics hubs. With the overall effective control of the COVID-19 epidemic in China, the Group continued to seize market opportunities, grew its business through active investments and acquisitions externally, and improved its domestic operations internally. It has been striving to develop the “Investment, Construction, Financing and Operation” closed-loop business model in integrated logistics hubs, and achieve the goal of accelerating the continuous and circular development of the integrated logistics hub business through asset securitization. As at 31 December 2021, the Group has a presence in 37 key logistics gateway cities across the country, managing and operating 30 logistics projects with a total operating area of 3.32 million square meters and an overall occupancy rate of 93%. The Group has accelerated business expansion, and actively pursued the establishment of a comprehensive logistics ecosystem combining “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure + Intelligent and Cold Chain Logistics”, to build the Group’s core competitiveness in its main logistics business and capabilities in sustainable development.

Regarding the logistics park transformation and upgrading business, the Group actively promotes the adjustment, transformation and upgrading of the land functions of its logistics park projects located in the core urban center. Through land transformation and renovation, the closed-loop development model of “Investment, Construction, Operation and Transformation” for its logistics park projects is realized. Capitalizing on Qianhai’s special zone position and policy advantages in the Greater Bay Area, the first phase of the Qianhai Project focuses on the development of supply chain service and intelligent manufacturing service businesses, and promotes the deep integration of the digital and real economies. According to the 14th Five-Year Plan, the Shenzhen Municipal People’s Government officially initiated upgrading and revamping infrastructures in Longhua District. The Group’s South China Logistics Park is one of the six key projects for renewal and land development. Taking this chance, the Group will upgrade and transform the South China Logistics Park, and seek ways of industry upgrading, environmental improvement and city quality enhancement in cooperation with the government to realize the long-term development goals of innovative, upscale and intelligent upgrading and transformation of the logistics industry.

¹ As of 31 December 2021

With respect to port operation, the Group capitalized on its function as a distribution and consolidation hub for ships and railway through actively exploring new businesses such as “rail-to-ship transfer” business, while optimizing its port business portfolio. At the same time, the Group made great efforts to promote the development of green and intelligent ports and enhance the operational capabilities, enhancing its brand awareness and reputation in the segment. Since the supply chain business was launched in 2015, the business volume experienced a year-by-year increase, which not only accumulated high-quality upstream and downstream customer resources, extended the value chain of the port and realized the synergy of port and supply chain businesses, but also effectively promoted the transformation and upgrading of the port from a single loading and unloading transit port to a large-scale integrated service hub platform and enhanced the port’s influence. Under the principle of “focusing mainly on M&A and supplemented by new construction”, the Group firmly implemented the “Port Connection Action”. By continuously expanding the asset-heavy investment layout of port projects, and combining with the supply chain asset-light business, the Group will consolidate and enhance its core competitiveness in the port segment.

As at the date of this report, the Group’s toll road business is coordinated and operated by Shenzhen Expressway Corporation Limited (“Shenzhen Expressway”), a subsidiary of the Company as to approximately 52%, whose H shares and A shares are listed on the Stock Exchange and the Shanghai Stock Exchange respectively. Shenzhen Expressway has invested in and operated a total of 17 expressway projects, which spanned across the Greater Bay Area and extended to regions such as Hunan Province, Hubei Province, Jiangsu Province and Chongqing Municipality. As at the date of this report, the total toll length of toll roads invested in or operated by Shenzhen Expressway was approximately 174 km, 320 km and 187 km in the Shenzhen region, other regions in Guangdong Province and other provinces in China, respectively. Besides, the Group’s general-environmental protection business is managed by Shenzhen Expressway. It has entered the fields of environmental protection and clean energy business from an advantageous starting point by actively seeking cooperation opportunities with leading enterprises in the general-environmental protection industry. Through investment and mergers and acquisitions in recent years, Shenzhen Expressway has gradually commenced its focus on clean energy industries and reutilization and management of solid waste, realizing the initial layout of the general-environmental protection industry. At the moment, Shenzhen Expressway has established a two-pronged framework with two core businesses in toll roads and general-environmental protection. It is expected to enhance development potential for the Group in the long term.

About this Report

This is the Group's sixth "Environmental, Social and Governance Report" (this "Report"). It will continue to help stakeholders² understand the environmental, social and governance (the "ESG") performance of the Group by updating the Group's achievements of the ESG issues. This Report, in Chinese and English, has been uploaded to the website of the Stock Exchange and the Company's website at www.szihl.com.

REPORTING BOUNDARY

This Report reports on the ESG performance of the Group for the year ended 31 December 2021 (the "Year"). This Year's Report focused on the operations of the South China Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub, Wuxi Huishan Integrated Logistics Hub, Yantai Booming Logistics Park, Guizhou Longli Integrated Logistics Hub and Nanjing Xiba Port (collectively, the "Operating Sites"). As Nanchang Integrated Logistics Hub is no longer a subsidiary of the Company, Wuxi Huishan Integrated Logistics Hub, which is similar to Nanchang Integrated Logistics Hub in terms of business category and size, replaces the latter in this Report in order not to alter the original scope of this Report. This Report does not cover Shenzhen Expressway, which is the subject of a separate environmental, social and governance report.

Descriptions of the Operating Sites:							
Business sectors	Logistics park	Integrated logistics hub					Port
Operating sites	South China Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Yantai Booming Logistics Park	Guizhou Longli Integrated Logistics Hub	Nanjing Xiba Port
Principal business	Mainly engaged in businesses such as bonded logistics, intelligent warehousing, general warehousing, etc., as well as the provision of services relating to loading and unloading, customs declaration and inspection, cross-boundary transportation service between China and Hong Kong and domestic transportation, etc.	Provides leasing services and property management services as distribution and transfer center and a modern warehouse center, and value-added ancillary services such as providing office and accommodation	Mainly provides warehousing, loading and unloading, freight transportation and logistics information consulting services	Mainly provides services as modern logistics highway hubs, modern cold chain logistics centers, intercity logistics centers, integrated business centers, etc.	Mainly provides general freight, freight station (site) operation, logistics service, warehousing service, joint cargo transportation, parking lot, house leasing and property management	Mainly provides services as distributions and transfer centre and modern warehouse center	Port operations and terminal supply chain management service businesses relating to the port terminal operation
Operating area	290,000 square meters	67,000 square meters	264,000 square meters	125,000 square meters	37,000 square meters	148,000 square meters	400,000 square meters
Location	Shenzhen	Wuhan	Shenyang	Wuxi	Yantai	Longli County	Nanjing

² "Stakeholders", also known as "interested parties" or "equity owners", refers to groups and individuals who have a significant impact on the business operations of an enterprise or will be affected by the business operations of the enterprise, including its board of directors, management, executives and general staff, as well as shareholders, business partners, customers, governments and regulatory authorities, banks and investors, and community organization, etc.

REPORTING PRINCIPLES

This Report is prepared in accordance with the four reporting principles (i.e. materiality, quantitative, balance and consistency) set out in the Environmental, Social and Governance Reporting Guide contained in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Guide”).

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

CONFIRMATION AND APPROVAL

The Group is committed to ensuring that all information presented in this Report is accurate and reliable. After the review by Sustainability Committee, this Report was confirmed and approved by the Board of Directors (the “Board”) on 27 May 2022.

FEEDBACK

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

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 Fax: 852-2739 5123

Message from the Chairman

After the 26th UN Climate Change Conference, China pledged to take proactive action in reducing methane emissions, decarbonizing industries, and developing clean energy, to limit global warming within 1.5 degree. To this end, the Chinese Government clearly stated in its 14th Five-Year Plan that it will implement a sustainable development strategy, build an ecological civilization system, and comprehensively push for a green economic and social transformation. Determined to pursue sustainable development, Shenzhen International strives to boost operation and quality management, and calibrates itself to national development by increasing the proportion of photovoltaic power generation, encouraging the use of electric vehicles, etc. to reduce carbon emissions resulting from business operations.

Shenzhen International is well aware that the support of stakeholders is pivotal to the success of a low-carbon transition. Therefore, the Group took multiple approaches in the Year to proactively communicate with internal and external stakeholders and, accordingly, adjusted its policies and measures where necessary. This is to ensure that the Group and its stakeholders share the same development philosophy in creating more value together. In 2021, the Group further expanded the scope of online stakeholder survey on material issues, assessing and scoring sustainability issues with 1,571 internal and external stakeholders. Similar to the results of last year, concerns were centered around employment-related issues by all stakeholders, which the Group has reported on and addressed.

As before, Shenzhen International is concerned about the impact of COVID-19 on stakeholders. In the past year, COVID-19 was essentially under control in China, and the market demand for logistics facilities and services continued to recover. The Group's business operations went back on track gradually. To protect the employees, the Group put in place various preventive measures and raised employee awareness on pandemic prevention. It provided all its employees with appropriate pandemic prevention equipment at all operating sites to ensure their health and safety; to protect the well-being of the general public, the Group actively responded to pandemic control in all walks of life and donated funds and supplies so as to provide support to groups in need. Shenzhen International will continue to leverage its own logistics facilities and capabilities to assist the development and efficient operation of the society, and apply the concept of sustainable development in areas other than business operations, achieving our corporate spirit "Logistics with Ethics, For a Better World".

Faced with these external challenges, the Group prioritised the improvement of its capacity and is committed to improving operational efficiency while reducing the impact on the external environment through the development and application of new technology. To this end, the Group established a dedicated fund for investment in innovation, and formulated the "Shenzhen International Holdings Limited's Management Measures for Innovation Funds (Trial)" to encourage internal innovative research and development. The Group also accelerated the implementation of the "smart logistics" and "smart warehousing" projects in the hope of actively adapting to the transition from traditional manual model to technology and intelligence advancement through innovations in business practices and technologies, and working towards a smart future together with the country.

In the future, the Group will continue to adhere to the operating philosophy of sustainable development, hoping to improve and innovate its operation practices and policies through communication and cooperation with stakeholders so as to adapt to the ever-changing external environment. The Group will also strike a balance between the needs and impacts of development to ensure that society, the environment and itself can achieve sound development towards a "carbon neutral" future.

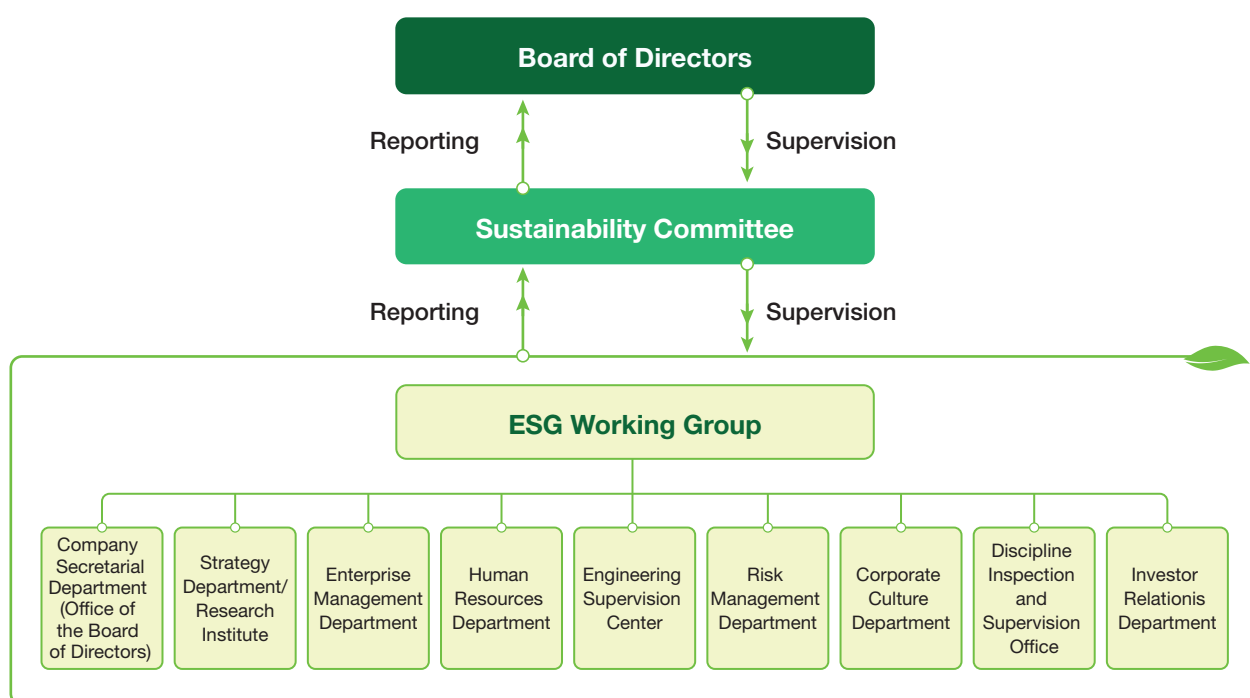
Philosophy of Sustainable Development

Shenzhen International will carry on the corporate spirit of “Logistics with Ethics, For a Better World”, spread the Group’s business philosophy of “Building Value, Sharing Future” based on its advantages in logistics support and services, and join hands with all stakeholders to create long-term value for society, the environment and the Group. The Group believes that only by fulfilling its corporate mission, developing the real economy, serving the city, industry and people’s livelihood, and bettering the overall environment, so that a more suitable environment can be created for developing into a first-class enterprise.

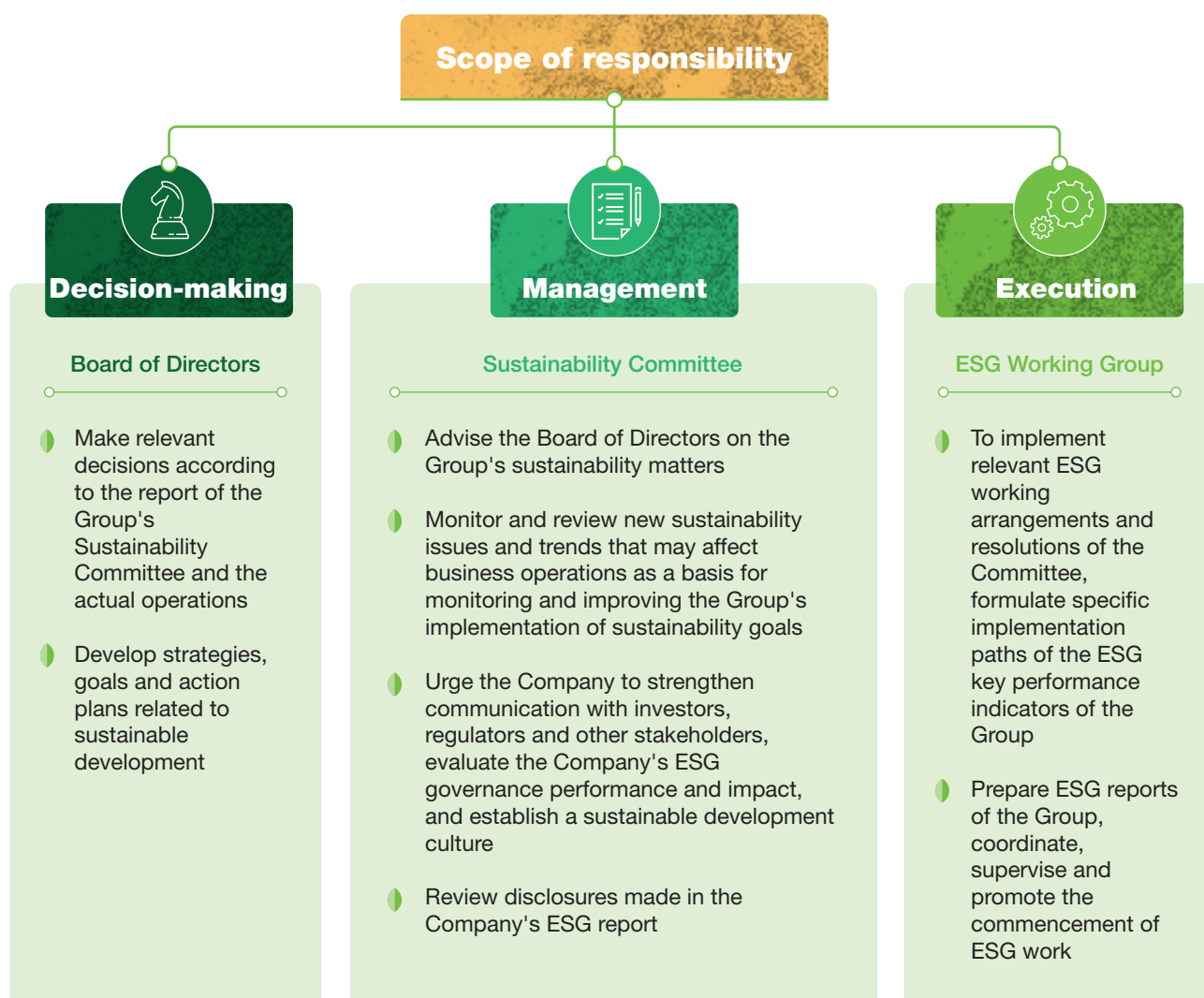
SUSTAINABLE CORPORATE GOVERNANCE FRAMEWORK

The Board of Directors is the highest decision-making and management body of the Group. It is responsible for formulating and reviewing the strategic guidelines and policies on sustainable development and establishing and implementing the work plans, budgets and resource allocation related to sustainable development. With respect to internal control and risk management, the Group established the Risk Management Department and the Safety Production Committee responsible for the management and control of and response to operational risks and safety risks to ensure the stable operation of business operations.

To ensure that the decisions of the Board of Directors are effectively implemented, with respect to the Group’s sustainable development decisions, the Board of Directors established Sustainability Committee (the “Committee”) in November 2021. It plays a managing role in the environmental, social and governance management structure and assists the Board of Directors in coordinating and supervising the ESG work of the Group and its subsidiaries. The Committee reports directly to the Board of Directors. The Committee consists of at least three members, including one executive director and two senior management personnel.



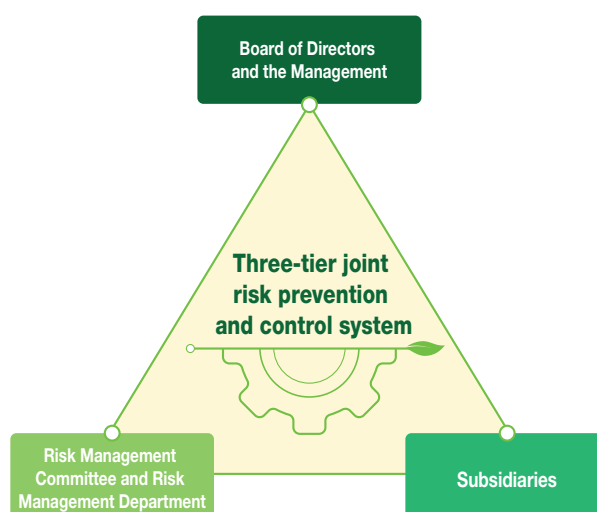
Philosophy of Sustainable Development



The Group has comprehensively improved its sustainable development governance structure to integrate the philosophy of sustainable development into the operations of the Group. It continuously boosts its long-term ability in economics, the environment, manpower and technology to meet the expectations of the Group and major stakeholders and create long-term value for the Group based on compliance disclosure.

MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

The Group's risk management and internal control system consists of the Board of Directors, the Audit Committee, the senior management, the Risk Control Committee, the Risk Management Department, the Audit Department and the risk management positions of other departments. The Group has also established a three-tier joint risk prevention and control system in accordance with the Corporate Governance Code and the requirements of regulatory authorities. At the same time, competent departments, risk management departments, audit departments and supervision departments of the subsidiaries and the headquarters form "three lines of defense against risk".





When the Group faces an environmental, social and governance crisis, it mainly applies the mechanisms and procedures laid down in the Comprehensive Risk Management Regulations to resolve it. The procedures are as follows:



Philosophy of Sustainable Development

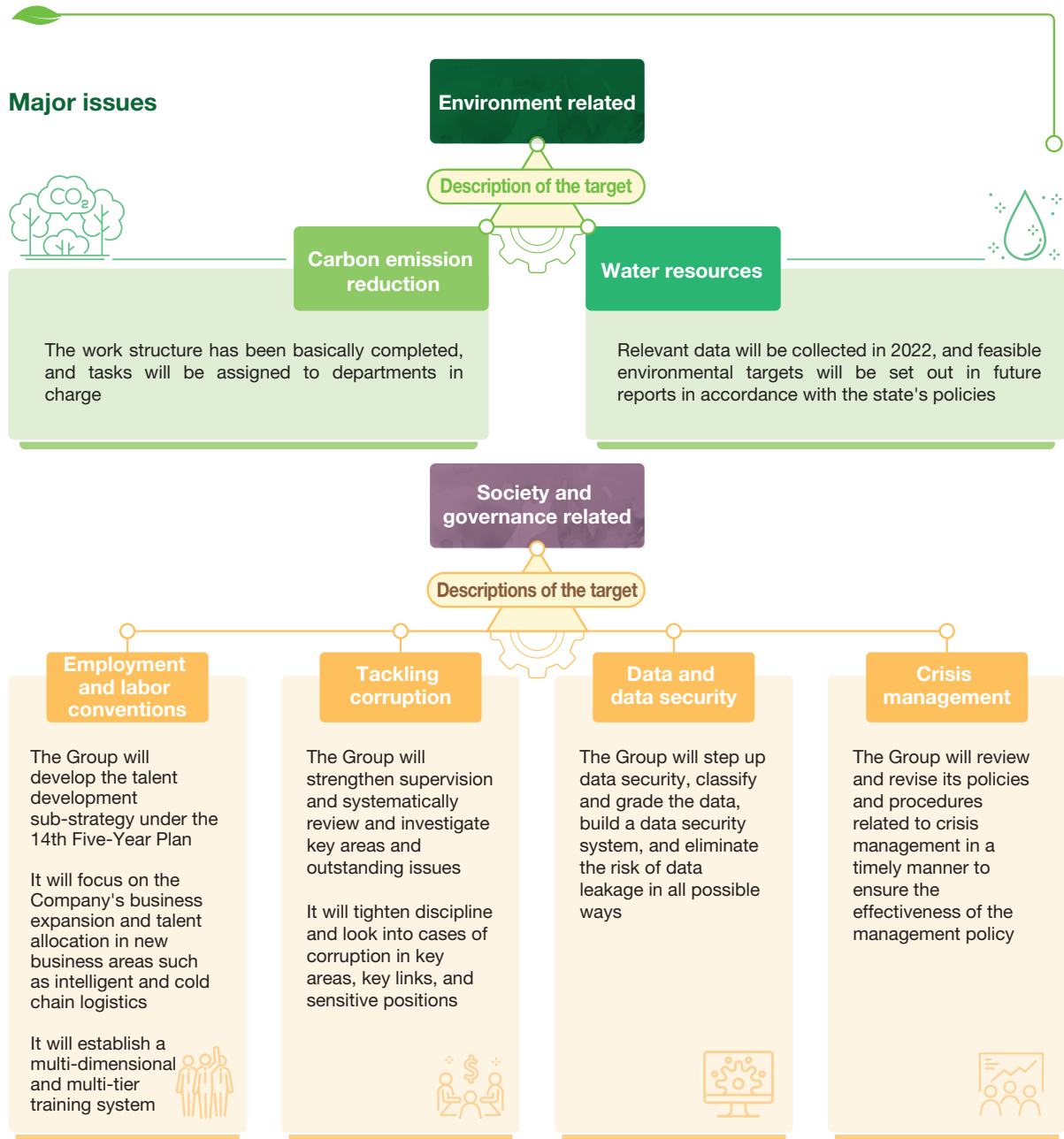
In 2021, the Group revised its Internal Control System, Comprehensive Risk Management Regulations, Regulations on the Evaluation and Management of the Internal Control System and Guidelines for the Risk Control Committee to strengthen the Group's internal control and overall risk management and improve the Company's governance performance. To ensure the Group's compliance management performance, the Risk Management Department of the Group formulated a work plan for building the Group's compliance management system, established the Group's compliance management working group, formulated the Compliance Management Regulations and developed the relevant work plan.

Category of sustainability risks		Potential impact	Risk response and management measures
Transition risks from climate change 	Environmental policy risks	<p>The state's emphasis on "protection, not development" in the Yangtze River Economic Belt has led to the tightening of the approval of port and coastline projects, making it more difficult for the Group to launch port projects.</p> <p>The implementation of the policies on "Carbon Peak and Carbon Neutrality" and on the "Control of Energy Consumption Intensity and Total Energy Consumption" has weighed on the operations of coal supply and coal consumption companies in the energy, electricity, and chemical engineering sectors. As the main business of Shenzhen International's port business is thermal coal loading and unloading, the business performance of these enterprises has limited the volume of the Group's port business.</p> <p>The raising of the state's environmental protection standards may lead to reduction in fiscal and tax subsidies for some sub-sectors of environmental protection, and this will affect the operation and profitability of the company's environmental protection business.</p>	<p>Logistics parks and port projects must meet the need for energy conservation, emission reduction, and environmental protection during the construction and operation stages to increase the chances of project approvals.</p> <p>Its port business seized the opportunity that came with the rectification of small, scattered and disordered ports in the middle and lower reaches of the Yangtze River to promote product upgrading, optimize operation, build green and low-carbon ports, and enhance the comprehensive competitiveness of the ports.</p> <p>The Group keeps abreast of changes in environmental protection policies, fully assesses the impact of policy changes and develops corresponding measures.</p>
Human resources management 		Whether the capability to manage human resources and other internal matters matches the needs of the new business model and management and control model has a great impact on the successful completion of the strategic plan of the Group	The Group established a long-term incentive mechanism and talent cultivation plan. At the same time, it set up a reserve talent pool and provides professional training regarding the reserve talent pool.

Looking to the future, the Group has initially formulated an internal plan, and the Risk Management Department is responsible for coordinating and providing relevant policies and systems on ESG risk management, supply chain management and climate change, so that the philosophy of sustainable development can be further enhanced in the future development of the Group and integrated into the Group's risk management process.

OUR MAJOR ISSUES AND TARGETS

To identify the major annual issues, the management of the Group, with the assistance of an independent third party, discussed the material issues and industry-related issues, and presented the following major issues of the Year:



To tackle the above major material issues, the management has analyzed the status and performance of all the departments of the Group, determine preliminarily the short-term goals for each major issue, and took corresponding actions to ensure progress and adequate attention in the interests of stakeholders.

Group Performance at a Glance

GROUP PERFORMANCE AT A GLANCE

Value talent

- All employees of the Group have signed labor contracts in accordance with the law. The Chinese employees have paid social insurance in full. In 2021, **100%** of the employees signed the labor contract;
- To overcome difficulties together with employees, the Group provided a fund pool of love and distributed RMB**240,000** in hospitalization condolence payment to **103** employees.



Cherish environmental resources

- The Group installed over **520** NEV charging piles in multiple logistics parks (Shenzhen and other parts of China), effectively **reducing** the carbon dioxide emissions generated in South China Logistics Park by **18,000** tons of carbon dioxide equivalent/year;
- In terms of green logistics, the Kanghuai E-commerce Center had **reduced 28,000** tons of carbon dioxide equivalent in 4 years through the application of flexible and effective allocation and distribution of new energy vehicles;
- It ramped up the building of green ports and put into operation high-voltage shore power in them. This can replace a fuel consumption of about **2,475** tons per year, reduce CO₂ emitted by ships in ports by **550** tons, and reduce ship energy costs by over RMB**13 million**.



Active cooperation in pandemic prevention

- The Group cooperated with all localities in pandemic prevention in 2021. It completed coordination and facilities construction with acceleration by fulfilling the requirements of pandemic prevention, maintained normal business operations, and ensured regional logistics stability. With rich experience and superb expertise in logistics park operations, the Group responded to take the initiative to connect with all levels of the government actively and met the needs of multiple parties upon the fifth wave of the COVID-19 outbreak in Hong Kong. The following are some examples:

1

To ease the pressure on cross-border freight transportation, the Group undertook the construction of **four** cross-border connecting stations in Shenzhen which cover a total area of **265,000** square meters. Over **4,000** border-crossing vehicles were received every day, accounting for about **43.9%** of the total in Shenzhen. This ensured the safety and smooth flow on the "supply lifeline to Hong Kong";



2

The Group co-operated the special cargo train to Hong Kong with Sinotrans. Jointly with Sinotrans' railway department, the Group also completed coordination work in a limited amount of time to ensure the smooth launch of the cross-border cargo train that safeguard the supplies in Hong Kong on 2 March, 2022, thanks to the Group's extensive experience in logistics.



Communication with Stakeholders

As always, the Group values the communication with stakeholders, and believes that through different channels and methods, their opinions and suggestions on the Group's sustainable development performance can be gathered. A good understanding of their thoughts can enable the Group to review its own performance more comprehensively, formulate targeted policies and measures by category, and lay groundwork for its long-term sustainable development. During the Year, the Group communicated with different stakeholders in the following ways:

	Stakeholders	Ways of communication	Purpose and response
Internal stakeholders	Employees	<ul style="list-style-type: none"> Survey of employee opinions Giving-good-advice activities Organizing various exchange activities and training Regular meetings and routine communication 	<ul style="list-style-type: none"> The Group gathers employee opinions on business operation measures and adjusts measures based on employee opinions It introduces policies to protect the basic rights and interests of employees, provides suitable employee training, and puts in efforts to ensure safe production and health
External stakeholders	Customers	<ul style="list-style-type: none"> Exchanges and continuous visits and communication Meetings Customer service and surveys 	<ul style="list-style-type: none"> In-depth understanding of customer needs, feelings and expectations in the hope of providing better service Continued improvement of the service system and quality management Digital transformation and upgrading to boost service efficiency
	Suppliers	<ul style="list-style-type: none"> Regular field trips Work meetings and routine communication Agreements and contracts 	<ul style="list-style-type: none"> In-depth understanding of the actual operation and needs of suppliers in the hope of promoting mutual cooperation Disclosure of information about bidding Cooperation agreements with suppliers Commercial bribery eradicating policies
	Government	<ul style="list-style-type: none"> Participation in industry conferences and work reports organized by the government Information submission Exchange visits Statistical report submission 	<ul style="list-style-type: none"> Understanding state policies and guidelines and providing references and feedback to promote industry development and enhance economic benefits Compliance with laws and regulations and full payment of taxes Job offers
	Community	<ul style="list-style-type: none"> Community assistance and poverty alleviation Volunteer work 	<ul style="list-style-type: none"> Contribute back to the society as a Group through community building and charitable activities Implementation of measures for COVID-19 prevention

Communication with Stakeholders

IDENTIFICATION OF MATERIAL SUSTAINABILITY ISSUES

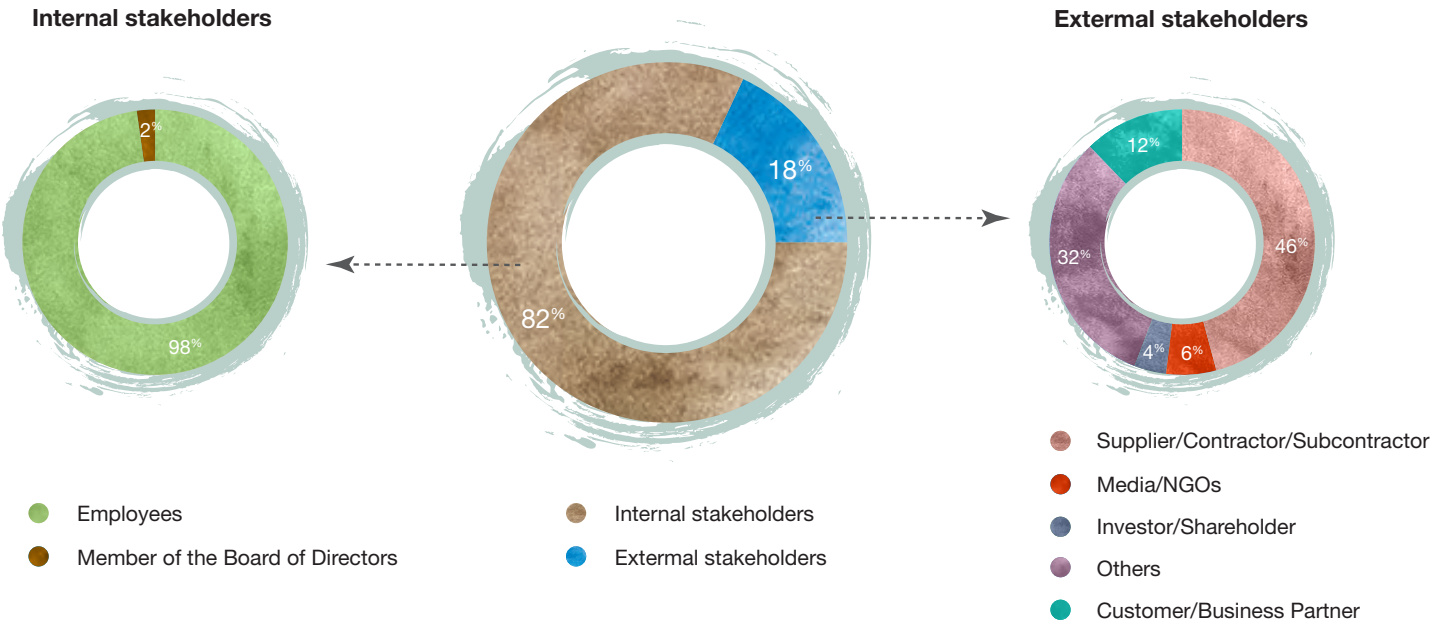
According to the Stock Exchange's Environmental, Social and Governance Reporting Guide, the Company should continuously communicate with stakeholders and take their opinions and expectations into consideration when identifying and disclosing the possible significant impacts of its business on the environment and society. Consistent with previous years, the Group continued to entrust third-party agencies to conduct online surveys of stakeholders and analyzed the results independently.

To gain a deeper understanding of the opinions of stakeholders on different matters, the Group expanded the sustainability issues covered by the questionnaire to 26 items, which include "environmental protection", "employment and labor conventions", "operating practices", "community" and "others" as follows:

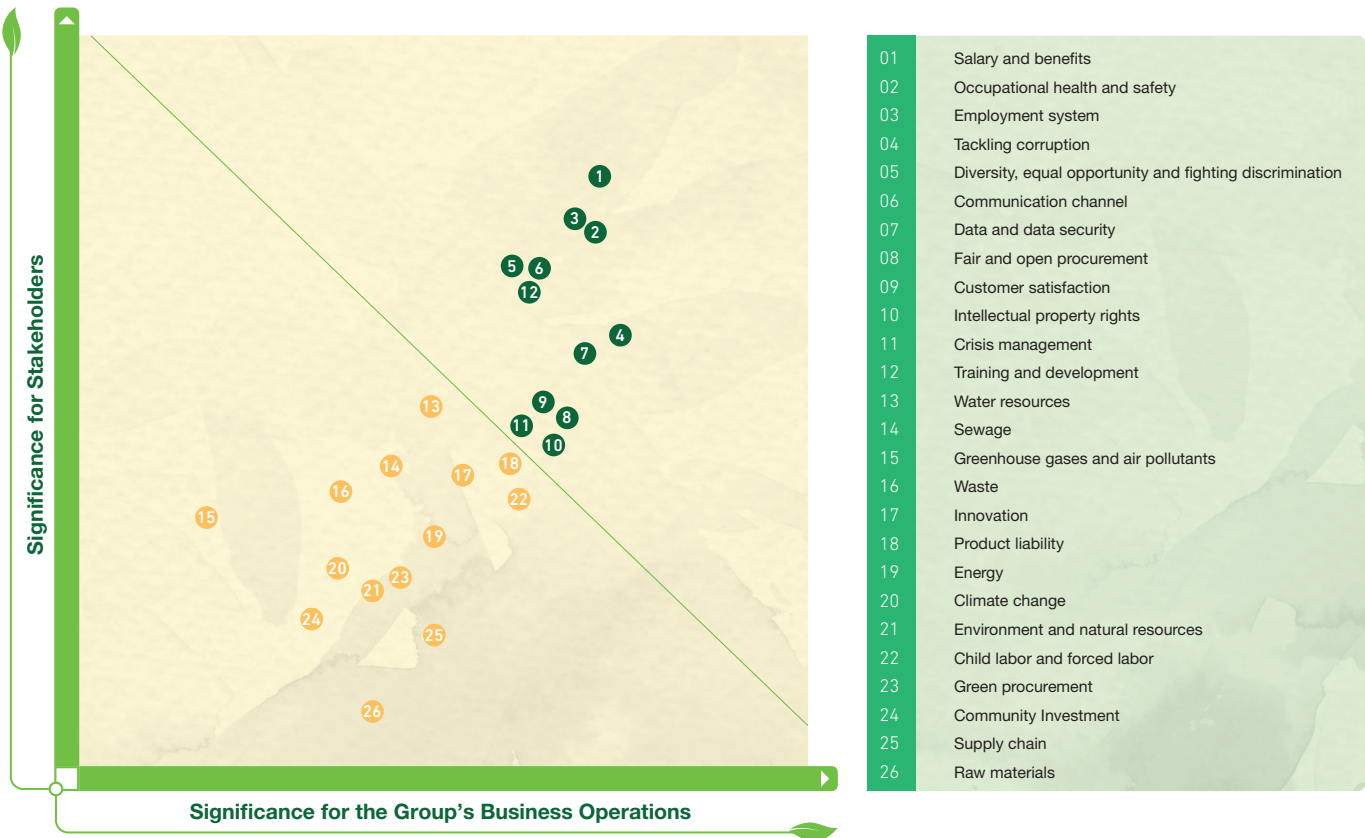
Environmental protection	Employment and labor conventions	Operating practices	Community	Others
<ul style="list-style-type: none"> Greenhouse gases and air pollutants Waste Sewage treatment Energy Water resources Raw materials Environment and natural resources Climate change 	<ul style="list-style-type: none"> Employment system Salary and benefits Diversity, equal opportunity and fighting discrimination Communication channel Occupational health and safety Training and development Child labor and forced labor 	<ul style="list-style-type: none"> Supply chain Green procurement Product liability Customer satisfaction Data and data security Intellectual property rights Tackling corruption Fair and open procurement 	<ul style="list-style-type: none"> Community investment 	<ul style="list-style-type: none"> Innovation Crisis management

1,571 valid responses were received for this survey, of which about 82% were from internal stakeholders. The external stakeholders who responded to the survey included suppliers, contractors, media outlets, investors, shareholders, customers, business partners, etc.

Communication with Stakeholders



To broaden the scope of the materiality assessment so that it incorporates the concerns of internal and external stakeholders, an independent third party grouped the data and selected issues that were very important to internal and external stakeholders for detailed analysis based on the average score.



Communication with Stakeholders

The following table lists 11 material issues identified from the 26 sustainability issues:

Material issues (in order of importance)	
1.	Salary and benefits: Ensuring that the rights of employees are protected and paying them a reasonable salary to maintain a decent life (e.g. designating appropriate working hours, making reasonable work arrangements).
2.	Occupational health and safety: Identifying safety and health risks in the workplace and developing measures to protect workers (including subcontractors) from hazards.
3.	Employment system: Establishing systems to inform employees of employment arrangements, ensure equality in employment, and protect employees' rights.
4.	Tackling corruption: Preventing corruption, bribery, fraud and money laundering through preventive measures and internal control systems. Providing anti-corruption training for directors and employees, for example.
5.	Diversity, equal opportunity and fighting discrimination: Establishing systems to ensure equality and non-existence of discrimination and sexual harassment in employment.
6.	Communication channel: Providing channels for employees to express their opinions, ensuring that their opinions and complaints are dealt with, and maintaining two-way communication between employees and the management.
7.	Data and data security: Protecting customer data and privacy.
8.	Fair and open procurement: Establishing rules to ensure suppliers can compete openly and fairly.
9.	Customer satisfaction: Properly responding to complaints and improving customer satisfaction with products and services.
10.	Intellectual property rights: Respecting intellectual property rights to ensure that the intellectual property rights of the Group and others are not infringed.
11.	Crisis management: Establishing a crisis management and response mechanism to ensure that the company can continue to operate in the event of sudden problems or crises.

The Group will make an in-depth analysis of the material issues in different chapters of the Report. At the same time, it will improve policies and measures relating to business operations to ensure that the philosophy of sustainable development is integrated into its business operations. The Group will continue to maintain communication with stakeholders and pay close attention to other non-material issues to ensure that the Group can fully understand its own performance and adjust its development strategies in a timely manner.

THE GREEN PRACTICES IN QIANHAI AND OTHER REGIONS

The Group has been actively participating in various green projects. It hopes to make the transition to low-carbon economy as soon as possible through active investment and research to create favourable conditions for long-term development. The Group integrates green elements into the project design in the hope of reducing the environmental impact of the building during its use and minimizing the impact of urban development and construction on the natural and ecological environment.

Qianhai Project is the Group's first project successfully implemented under the long closed-loop of "investment, construction, operation and transformation" business model. The Qianhai project is being developed in three phases, with the first phase consisting of offices, residential projects and commercial projects. It is positioned as an "Artificial Intelligence Internet of Things (AIOT) + Ecological Garden" project in the industry, which is a "Benchmark Project in the Qianhai Shenzhen-Hong Kong Digital Economy Town Pilot Clustering Area".

The office building in the first phase of the Qianhai Project, Yidu Building, was designed, constructed and operated according to the requirements of the national two-star standards for green building and the Platinum level of the LEED-CS certification of the US. In May 2022, the project was officially certified by LEED-CS Platinum, the world's most widely used and influential green building and city rating system, with Platinum being the highest level. Until now, only 8 projects in Shenzhen have obtained LEED CS Platinum certification, and only 52 projects have attained LEED CS Platinum award nationwide. Receiving the certification also proves that the Group attaches great importance to environmental protection and shouldering social responsibilities. It is estimated that 335,200 kWh of electricity can be saved every year during the whole life of the building—equivalent to the reduction of 133.98 tons of standard coal consumed in production, 333.94 tons of carbon dioxide emissions reduction, 10.04 tons of sulfur dioxide emissions reduction, 5.02 tons of nitrogen oxide emissions reduction and 91.11 tons of dust emissions reduction. The energy management system of the Intelligent Park platform is also applied in this project, which is an important technical foundation to support the green building. Through the comprehensive coordination with the building automation control system and the data interaction with external companies, we strive to achieve the goal of 20% intelligent energy saving by artificial intelligence algorithms.

The residential project in the first phase of the Qianhai Project, Yiwan Fu, has adapted the prefabricated building design to shift a significant number of production tasks from the construction site to factories. The on-site assembly of prefabricated elements reduces the generation of solid wastes, such as construction wastes, and improves both construction efficiency and quality. The project consists of 4 towers, which the average prefabrication rate of each tower lines between 16.04%-21.16%, and the average assembled rate is 57.59%-61.42%. This degree of assembly of prefabricated elements ranks in the forefront of similar products in Shenzhen, and has been commented by Fellow Mr. Lie Jianguo as one of the domestic projects with highest standard of super high-rise prefabricated residential products in terms of design and construction quality.

Sponge city is a new urban construction model for flood control and waterlogging prevention in cities, which also has ecological and environmental protection functions. The model means that a city resembles a sponge which can "absorb water" during precipitation and "squeeze out" the collected rainwater for use at ordinary times. To sum up, sponge cities have six major functions: "infiltration, stagnation, storage, purification, utilization, and drainage". In terms of rainwater recovery, the design of the first phase of Qianhai Project combines factors such as rain type, soil, and completion degree and installs an overfall gap in the sunken green space to recover rainwater. This greatly improves the utilization of water resources and thus saves water. To meet the actual needs of different projects, the design team of Liguang Logistics Park and several new integrated logistics hubs projects formulated different green building technical solutions and optimized the solutions through refined design methods. The national Green Building Evaluation Standards (GB/T 50378-2019) was referenced in planning and construction, and at the same time, sponge city design was adopted to achieve coexistence with rainwater resources.

Sustainable Development Performance

Cherish Environmental Resources

CHERISH ENVIRONMENTAL RESOURCES

China is an active participant in climate change mitigation. It has set the goals of carbon peaking by 2030 and carbon neutrality by 2060 in the hope of promoting the low-carbon transition in domestic enterprises and building a solid foundation for the low-carbon economy of the future. Therefore, the Group has taken different actions to tackle different environmental issues. It hopes to, in addition to responding to the state's policies, reduce the impact of its business operations on the environment and achieve a long-term low-carbon transition.

The Group established the Leading Group for Building Ecological Civilization headed by the vice president of the Group, and directed specific departments to undertake relevant tasks. At the same time, it incorporated the idea of ecological civilization into its three-year business plan and day-to-day main business operations. In addition, the Group ramped up supervision and assessment, incorporating the idea of ecological civilization into the annual appraisal system and pushing ahead with improvement through performance assessment.

At the moment, the Group has a total of approximately 2.10 million square meters of roof areas provided by existing projects, projects under construction and projects to be built, which the expected maximum install capacity for photovoltaic power generation is approximately 210 MW. The Group's "14th Five-Year Plan" planned operating area is expected to reach 8 million square meters. Excluding 5% of ancillary facilities, the roof area converted from double-storey warehouses is approximately 3.8 million square meters. It is estimated that the installed capacity of photovoltaic power generation systems will reach more than 300 MW.

To the best knowledge of the Company, the Group was not involved in any significant environmental pollution cases during the Year.

Case study

(1) The green design of the first stage of the second phase of South China Logistics Park

In response to the concept of green and sustainable development, "Sponge City Design" and "Green Building Specifications" were designed for the first stage of the second phase of South China Logistics Park. In the process of architectural design, the project team formulated green building design strategies based on an analysis of the surrounding environment and climatic conditions of the project site and adopted various land-saving, energy-saving, water-saving, material-saving and environmentally friendly green building materials, technologies and equipment to build environmentally friendly public buildings in the design stage.



(2) The idea of green building in the design of Liguang Digital Logistics Hub

Liguang Digital Logistics Hub puts ecology and environmentality as the starting point of design. According to its design, it has to reach the 2-star green building standard and comprehensively improve the outdoor environment, energy utilization, water resource utilization, material utilization, indoor environmental quality and operation management. Distributed photovoltaic power generation facilities will be installed on the curtain wall and roof, and an integrated energy supply system for energy storage and peak-to-valley power conversion will be developed. At the same time, the use of synthetic materials will be reduced to save energy and achieve the goal of coordinated development of green buildings.



(3) Photovoltaic power generation facilities on the roof of Hangzhou Integrated Logistics Hub

To promote the concept of environmental protection, the Group cooperated with the State Power Investment Corporation Hangzhou New Energy Co., Ltd. to build an integrated on-roof photovoltaic power generation project in Hangzhou Integrated Logistics Hub. The project built a 5.6MW distributed photovoltaic power station with an average annual power generation of about 4 million to 5 million kWh on the 38,000-square-meter roof of four single-storey warehouses in the park. While reducing the consumption of conventional electricity, it created large amounts of clean energy and a big step towards “carbon peaking and carbon neutrality”.



Sustainable Development Performance

Cherish Environmental Resources

Greenhouse gases and air Pollutants

Policy	Objective
Greenhouse Gas Emission Management Measures	<ul style="list-style-type: none">To further strengthen the management of greenhouse gas emissions, the Group stipulated that the equipment maintenance department of port shall be responsible for the maintenance and replacement of environmental protection equipment to ensure the use of high-quality environmental protection equipment.
Safety, Health and Environmental Protection Management Regulations	<ul style="list-style-type: none">To further reduce the air emissions generated in daily operations by requiring the relevant departments of the Operating Sites to perform regular maintenance on operating equipment

Laws and regulations	
<ul style="list-style-type: none">Environmental Protection Law of the People's Republic of ChinaLaw of the People's Republic of China on Prevention and Control of Water Pollution	<ul style="list-style-type: none">Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution

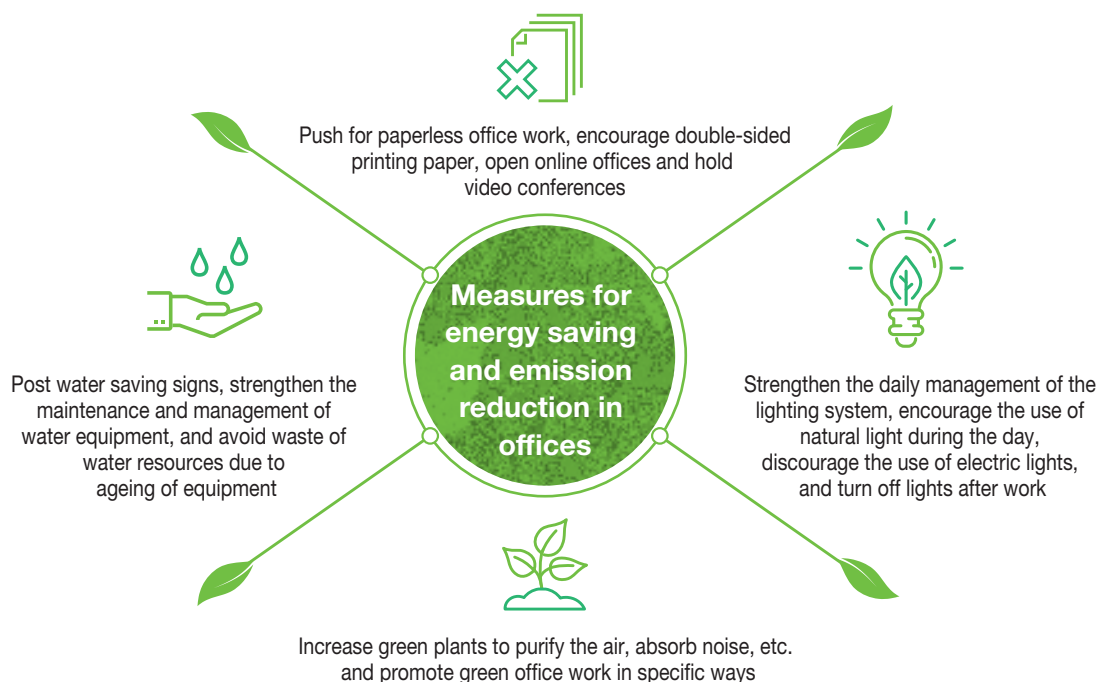
The Group's emissions of greenhouse gas and air pollutants result mainly from the operation of logistics parks and port, dust emissions from port, and the use of gasoline and natural gas in vehicles and some equipment in logistics parks and integrated logistics hubs. The Group will strengthen the management of greenhouse gas and exhaust gas emissions in accordance with the Greenhouse Gas Emission Management Measures.

The Group implements the strategy of "developing green logistics and building new and environmental-friendly logistics parks". It vigorously pushes for green construction in logistics parks and comprehensively reduces carbon emissions in logistics parks by using energy-saving equipment and introducing intelligent operation models.

The measures taken by the Group in its logistics parks are as follows:

- Erect NEV charging piles in logistics parks and increase the number of charging stations for electric bicycles
- Strengthen the control of diesel vehicles that fall short of emission standards and prohibit non-compliant vehicles from entering the park
- Demand vehicles to power off during work
- Accelerate the construction of pilot smart parks, develop smart property services, promote digital management of daily operations, and double down on energy conservation and emission reduction

Measures for energy saving and emission reduction in offices:



The Group actively reduces greenhouse gas emissions by adopting various energy-saving measures. The Group's greenhouse gas and air pollutant emissions and energy use performance in 2021 are as follows:

Total greenhouse gas emissions and intensity in 2021

	Logistics park	Integrated logistics hub	Port	Unit
Scope 1 - Direct greenhouse gas emissions	21.36	1,072.91	571.97	tons of CO ₂ equivalent
Scope 2 - Indirect greenhouse gas emissions	15,820.19	9,175.44	13,503.32	tons of CO ₂ equivalent
Scope 3 - Other indirect greenhouse gas emissions	2.97	10.18	7.18	tons of CO ₂ equivalent
Total greenhouse gas emissions (Scopes 1, 2 and 3)	15,844.51	10,258.52	14,082.48	tons of CO ₂ equivalent
Greenhouse gas intensity (by area)	0.05	0.02	0.04	tons of CO ₂ equivalent per square meter

During the Year, the greenhouse gas emissions of the Operating Sites of the Group reached 40,185.51 metric tons of CO₂ equivalent, an increase of 48% from 2020, while the greenhouse gas intensity (by area) was 0.030 metric tons of CO₂ equivalent per square meter, an increase of 16% from 2020. The significant increase was mainly contributed by expanding the scope of South China Logistic Park's electricity consumption, from covering the offices' consumption only to the whole logistic park, which improved the completeness of Scope 2's data. With respect to emission sources, Scope 2 (i.e. indirect greenhouse gas emissions) accounted for 95.80% of the total greenhouse gas emissions, indicating that the Group's greenhouse gas emissions from externally purchased energy are still the main source of greenhouse gas emissions of the Group.

Sustainable Development Performance

Cherish Environmental Resources

To further improve its performance in greenhouse gas emissions, the Group will closely examine the effectiveness of the various emission reduction measures, and at the same time, evaluate and document relevant data to establish a basis for setting effective and feasible carbon reduction targets.

Air pollutant emissions in 2021

	Logistics park	Integrated logistics hub	Port	Unit
Nitrogen Oxides (NO _x)	14.97	880.94	49.22	kilograms
Sulfur Oxides (SO _x)	1.98	15.93	23.66	kilograms
Respirable Suspended Particulates (RSP)	0.88	15.03	2.33	kilograms

With respect to air pollutant emissions, nitrogen oxides, sulfur oxides and respirable suspended particulates emitted by the Group dropped significantly this Year, down 84.28%, 66.45% and 99.99% from 2020, respectively. This is mainly due to the 95% reduction in diesel use in ports in 2021. The switch to gasoline cut down on overall air pollutant emissions.

To establish and make progress on the long term emission reduction target, the Group is actively improving the data collection system and starting internal discussions. Further information will be disclosed in due course.

Energy use and intensity in 2021

Policy	Objective
Management of Energy Saving and Consumption Reduction	To improve the Group's energy efficiency through formulating different resource management policies and reviewing the objectives and measures for the use of resources on a regular basis

	Logistics park	Integrated logistics hub	Port	Unit
Gasoline	57.95	293.41	2,232.70	MWh
Diesel	26.11	22.14	98.33	MWh
Natural gas	—	4,977.58	—	MWh
Electricity	27,094.00	15,714.06	23,126.09	MWh
Total energy consumption	27,178.06	21,007.19	25,457.12	MWh
Energy intensity (by area)	0.08	0.03	0.06	MWh/square meter

With respect to energy consumption, the Group's operating sites consumed a total of 73,643 MWh of energy, an increase of 51.80% compared to 2020, which was mainly contributed by expanding the scope of South China Logistic Park's electricity consumption, from covering the offices' consumption only to the whole logistic park. The consumption of direct energy (i.e. gasoline, diesel and natural gas) accounted for 10.47% of the total energy consumption, while the consumption of indirect energy (i.e. electricity) accounted for 89.53% of the total energy consumption.

Regarding to the target setting on energy efficiency, the Group is actively improving the current data quality and starting internal discussions. Further information will be disclosed in due course.

Case study

(1) Kanghuai E-commerce Center runs a green freight demonstration project

To transit to low-carbon economy, the Group has been actively participating in various green projects over the years in the hope of building exemplary low-carbon operation models. During the Year, the national green freight demonstration project which took three years to fruition was finally completed and the results were checked and accepted. This confirmed that the project complies with the standards of national green freight demonstration projects.

Project concept, design and operation:

- ① The project was designed and constructed according to the standards of “green, low-carbon, efficient, intelligent, safe, fast, fully functional, and coordinated” operation
- ① The project built a five-story distribution center to achieve intensive land use, improve land utilization and increase the scale and efficiency of logistics
- ① In the project, more than 200 new energy vehicles have been put into urban distribution operations. 17 and 21 60KW and 6KW fast charging piles were constructed to realize urban logistics and distribution by pure electric vehicles
- ① A photovoltaic power generation system was installed, and a smart information management platform was built to conduct intelligent power management and rationally take advantage of peak and valley electric charges

During the four-year operation of the project, about 2.0 billion items have been distributed and delivered. During the COVID-19 outbreak, the project provided citizens with necessary supplies without interruption, reducing carbon emissions by about 28,000 tons compared with the traditional operation practices.



Sustainable Development Performance

Cherish Environmental Resources

(2) Nanjing Xiba Port is developing into a green port

Nanjing Xiba Port formulated the Opinions on Accelerating Green Port Construction to comprehensively plan the construction of green ports that feature optimized production processes, improved port pollution prevention, widespread use of clean energy, expanded green lighting, and six other characteristics to protect the environment. It has been certified as a three-star green port.

To further reduce air pollutant emissions during ships' stay at the port, Nanjing Xiba Port built a high-voltage shore power project at the port that features "clean", "smart" and "ecological" development. The high-voltage shore power project is expected to consume 2.5 million kWh of electricity annually, which will replace about 2,475 tons of fuel consumption, reduce the CO₂ emissions of ships at the port by 550 tons, and save ship energy costs by more than RMB 13 million.



(3) South China Logistics Park launched a NEV charging pile project

To spread the concept of environmental protection, South China Logistics Park introduced a NEV charging pile project for small and medium-sized vehicles such as taxis, vans, and logistics vehicles, as well as large vehicles such as logistics vehicles, dump trucks, and buses, serving a wide range of customers in the park with new energy vehicles.



(4) “Convenient Transport Order Cabinet”: the first “paperless” operation scenario in the port

To ease traffic congestion that normally occurs on the roads around the port and avoid the inconvenience to trailer drivers caused by the traditional paper document exchange model, Shenzhen International built the “Shenzhen Port Container Shipping Transport Order Information Platform” (“Convenient Transport Order Cabinet”). The information-powered, smart and “paperless” operation model greatly simplified container shipping business, improved and optimized operation and management in the industry, and promoted the upgrading and transformation of the entire marine logistics industry as an exemplary case in Shenzhen’s drive to build “smart ports”.



Environment and natural resources

Policy	Objective
Safety, Health and Environmental Protection Management Regulations	<ul style="list-style-type: none"> By delegating responsibilities and strengthening supervision, the Group incorporated the idea of ecological civilization into the annual performance appraisal of relevant departments to assess work in the green supply chain, clean production, and procurement of environmental protection facilities.

Laws and regulations

- Environmental Protection Law of the People’s Republic of China

Considering the impact of port and logistics park operations on the environment, the Group intends to reduce the impact by improving its operating model, such as carrying out project construction and operation around the green building industry chain, building a green building technology system, and complying with the national two-star green building standards, to maximally save energy, water and materials and in so doing protect the environment and reduce pollution. In addition, the Group built fugitive dust monitoring systems on multiple project sites to keep down the dust waste index and reduce dust pollution. At the same time, it measured noise levels to ensure that noise pollution at construction sites meets minimum requirements that national regulations lay down.

Case study

(1) South China Logistics Park ran green construction projects

During the development and construction of Phase II of South China Logistics Park, the Group strives to comply with the Green Construction Manual and urged contractors to press ahead with green construction. For example:

- Use energy-saving excavators on construction sites to reduce pollution to the environment;
- Grind stones excavated and pile heads discarded and recycle the pieces;
- Adopt atomizing spraying to build a water-saving model city; and
- Build fugitive dust and noise monitoring systems, car wash tanks and vehicle washing equipment to reduce dust and noise pollution

Water resources and sewage treatment

Policy	Objective
Water Pollution Prevention, Control and Management Measures	● To ensure the wastewater discharged by the Group has undergone treatments, such as anaerobic, sedimentation and disinfection treatments, according to relevant requirements before the discharging, so as to avoid relevant environmental problems

The Group is well aware that improper sewage treatment can cause pollution to land and nearby water sources. Therefore, it requires its employees to treat sewage in strict accordance with the environmental management plan of each project and recycle treated sewage when possible. The Group improved the sewage treatment systems of all its projects. Sewage from production plants must be treated by the sewage treatment station and multi-stage sedimentation devices before being discharged into the sewage treatment plant for treatment through the municipal sewer system.



Recycle water resources using core tube mass concrete crack control technology

Water consumption and intensity in 2021

	Logistics park	Integrated logistics hub	Port	Unit
Water consumption	400,981.00	247,234.00	52,350.60	cubic meters
Intensity (by area)	1.38	0.39	0.13	cubic meters/ square meters

The Group's operating sites consumed 700,566 cubic meters of water this Year, a slight decrease of 2.00% from 2020, while the overall water consumption intensity was 0.53 cubic meters. The operating sites mainly used tap water through the municipal water supply network; they encountered no difficulty accessing water sources.

To establish and make progress on the long-term water reduction target, the Group is actively improving the data collection quality and starting internal discussions. Further information will be disclosed in due course.

Case study

(1) Liguang Digital Logistics Hub built basic rainwater ecological facilities

In response to the concept of sustainable development, the Group formulated the Special Guide to Sponge City Design, Special Guide to Green Building Specifications and Special Guide to Prefabricated Building Design for the Liguang Digital Logistics Hub project to come up with special designs for water-storing and waterlogging-preventing buildings according to project site conditions and building types. This project is provided with a basic rainwater ecological facility to divert rainwater and reduce rainwater discharge on the site, ease the pressure of flood discharge on the urban rainwater pipe network and increase the utilization rates of rainwater resources.



Pervious concrete

Pervious brick

Residence greening



Pervious brick

Pervious asphalt

Design of pervious pavement and green roof



Bioretention zone

Rainwater garden

Sunken green space



PP module
impounding pond



Rain barrel



Integration with
landscape
water storage

Design of stormwater wetland, rainwater garden and
water storage facility

Sustainable Development Performance

Cherish Environmental Resources

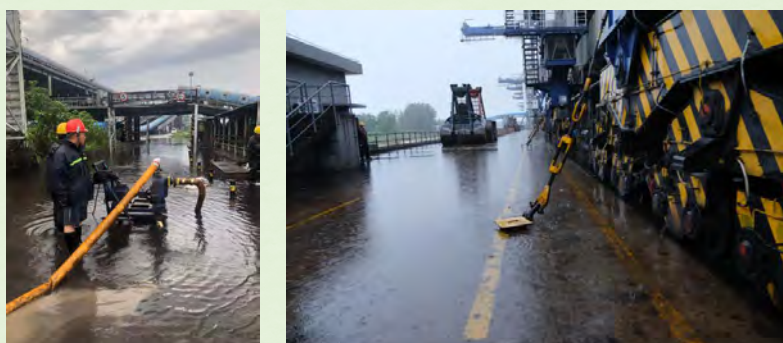
Climate change

The Group is concerned about the impact of climate change on business operations, the city where it operates and the society as a whole. To reduce the impact of extreme weather events due to climate change, the Group has formulated the Special Emergency Plan for Natural Disasters (Earthquakes), Special Emergency Plan for Flood Prevention and Typhoon Prevention, Emergency Plan for Cold Currents and Heavy Snow Weather, and Emergency Preparation and Response Control Procedures which form an emergency prevention mechanism. Front-line workers should be transferred and relocated immediately in accordance with regulations in the event of an emergency. The Group will also continue to implement the “24-hour principal-duty-performing” system and keep a close watch on its operating sites to get prepared for sudden severe weather events and natural disasters.

Case study

(1) Nanjing Xiba Port prevented typhoons and floods

To cope with the unprecedented pressure of typhoon and flood prevention that typhoons put it under in 2021, the leadership and employees of Nanjing Xiba Port fought resiliently and bravely on the front line. It made a sweeping inspection of the emergency plan, the quantity and quality of flood-control supplies and the rescue team. It screened for hidden dangers in large mechanical equipment, ships moored in ports, privately-built structures atop buildings, open-air pile heads, power supply equipment, etc. and investigated key areas including high-voltage motors in low-lying places, drainage pipes and trenches, and the juncture of the approach bridge and the Yangtze River Embankment. It also drained waterlogged land and screened the port area, storage dump and construction site to ensure smooth flow of flood-control supplies. It checked the anti-wind devices mounted on large machinery, anchored large nonoperational machinery (such as ship unloaders, ship loaders, etc.) in prevention of strong wind, and built cofferdams in key areas to stop water from entering the tunnel and to ensure the safety of motors. It braced for high water levels and torrential rain and took efforts to prevent secondary disasters, ensure normal production and life, and combat flooding.



Waste

To further improve the management of waste, the Group formulated the Measures for the Management of Solid Waste Classification to strengthen the management of solid waste and promote the recycling of construction waste by demanding relevant parties to recycle and reprocess construction waste at construction sites. At the same time, the Group put in place sweeping garbage classification measures, and according to the Regulations on the Classified Management of Household Waste in Shenzhen, provided garbage cans that meet different classification purposes and arranged for professional companies to clear and transport household waste. In addition, the Group procured degradable takeaway boxes to play its part in the control of plastic pollution in Shenzhen. It informationized its office buildings, advocated paperless office, promoted resource sharing and pushed for rational resource allocation.

The Group's operating sites discharged 3.80 metric tons of hazardous waste this Year, the bulk of which are used engine oil and oily waste from port. The Group's operating sites discharged 1,880 metric tons of non-hazardous waste, a significant decrease of 67.97% compared with 2020 and an indication that the Group's waste reduction measures were effective.

Packaging materials

The Group's operating sites followed resource utilization policies that were in line with applicable national laws and regulations. The Group will continue to improve the efficiency of resource use in the production process, and set quantitative targets for resource use based on this Year's resource consumption.

Of the Group's operating sites, only Shenyang Integrated Logistics Hub and Wuxi Huishan Integrated Logistics Hub consumed packaging materials, including paper and paper bags, which the total consumption is 0.32 metric tons.

Sustainable Development Performance

Value Talent

VALUE TALENT

The Group appreciates its employees' contributions. It safeguards their rights and interests and provides them with a safe, fair and respectful work environment so they can tap into their own strengths in their respective roles and contribute to corporate progress. Workers dispatched from other companies to the Group and temporary workers must go through formalities according to regulations, sign labor contracts at the direction of relevant companies and the Human Resources Department and buy industrial and commercial insurance under the Company's unified management to ensure their rights, health and safety at work are protected.

Employment system


Policies	Objectives
Employee Handbook Measures for the Management of Employee Discipline	<ul style="list-style-type: none"> Specifies job requirements, employee responsibilities and the rules to be followed in the workplace to maintain harmonious labor-capital relations, improve and protect employee rights, and achieve good corporate governance Clarifies the rules that employees should abide by and the responsibilities that they should take on, regulates employee behavior, enhances corporate image, facilitates management and builds a corporate culture
Measures for the Management of Employee Recruitment Measures for the Management of Labor Contracts	<ul style="list-style-type: none"> Regulates the Group's labor and personnel management system and provides an employment mechanism featuring fair competition, selective recruitment, fitting rewards and punishments, and rational flow of labor Recruitment must go through the due process, and candidates' credentials and backgrounds are carefully reviewed Systems must be implemented strictly, and wages, benefits, etc. must be paid in full and on a regular basis. The termination of labor-capital relations must be in accordance with laws and regulations
Measures for the Management of Position and Promotion	<ul style="list-style-type: none"> Recruitment and interviews must meet the specific needs of each department Employee performance assessment must be carried out regularly; the results of performance assessment should serve as the condition for promotion or non-promotion
Measures for the Management of Rest Periods and Overtime	<ul style="list-style-type: none"> The Group's employees should be entitled to holidays according to national laws and regulations, as well as examination leave and paid sick leave, if justifiable, so they can live a balanced life

Laws and regulations

- | | |
|---|--|
| <ul style="list-style-type: none"> Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Law of Employment Promotion Regulation on Paid Annual Leave for Employees Law of the People's Republic of China on the Protection of Minors Provisions of the State Council on Employees' Working Hours | <ul style="list-style-type: none"> Regulations on the Spring Festival Holidays and Remembrance Days Interim Regulations on Wage Payment Law of the People's Republic of China on Work Safety Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Fire Protection Law of the People's Republic of China |
|---|--|

The Group believes that a clear and complete set of rules and regulations can ensure that employees adequately understand their rights and responsibilities, and that an efficient and pleasant work environment can drive the Group's development. To protect the rights of employees, the Group formed an employee representatives assembly to establish democracy and convenes the employee representatives congress to seek employee opinions. To ensure the effective implementation of policies and measures, the Group formed a disciplinary committee and a labor union to supervise employment practices. Discipline inspectors conducted random inspections to oversee the implementation of measures.


Diversity, equal opportunity and fighting discrimination

Policy	Objective
Employee Handbook	 Spreads corporate culture among employees and promotes the ideas of equal opportunity, diversity and fighting discrimination to build a superb work environment where all employees are respected

To put together a team of excellent talent, the Group must build a harmonious work environment that appeals to talent. Therefore, the Group only adopts objective criteria such as the work experience, qualifications and abilities of applicants or employees for recruitment or promotion; any behavior discriminatory against race, skin color, nationality, religious belief, gender, etc. shall be prohibited when the Group considers recruiting or promoting someone.


The Group appreciates the contributions of its female employees. Therefore, the Group's labor union held the event "Talented Female Employees" on March 8, the International Women's Day. A female employee representative attended the event. The Group's management congratulated all the female employees and expressed thanks for their dedication.

Child labor and forced labor

Policy	Objective
Measures for the Management of Employee Recruitment	 Recruitment must go through the due process, and candidates' credentials are carefully reviewed. Administrative means are taken to ensure no minors under the age of 16 are employed and no forced labor is used in the Group



Laws and regulations

-  Law of the People's Republic of China on the Protection of Minors

The Group abides by national laws and regulations on labor and rejects the employment of child labor or forced labor. If cases of child labor or forced labor are found, the Group would stop the personnel from working immediately and ensure their health and safety conditions. The Group would also follow up on the cases according to relevant internal policies and procedures and report to local authorities if necessary. Any violation of national laws and regulations on labor shall incur punishment.

The Group did not recognise any cases of child labor or forced labor in its operation sites this Year.

Sustainable Development Performance

Value Talent

Salary and benefits

Policy	Objective
Remuneration Management System Measures for Performance Assessment Measures for the Management of Labor Contracts	Strictly implemented its established systems, paid its employees salary and benefits, and specified working hours, holidays and labor relations
 Laws and regulations	
Labor Law of the People's Republic of China	Labor Contract Law of the People's Republic of China

The Group's Human Resources Department is responsible for human resources management and labor treatment and arrangement. Its aim is to build a team with excellent talent for the Group.

The Group's remuneration consists of monthly salary, year-end bonus, subsidy, annuity, etc. It promises to pay the monthly salary on time and in full. The Group determines working hours for its employees based on the characteristics of the positions. If overtime is necessary, the Group will ensure that overtime allowances are paid in full to compensate employees for their efforts. In addition, remuneration is linked to employee performance. Employees who perform outstandingly will have salary increases as a reward, whereas employees who do not perform satisfactorily will have salary cuts. The Group will also let the market take its course. It will compare the salary of its employees with that of those in the same industry and adjust the salary of its employees according to operation performance and budget.

Training and development

Policy	Objective
Measures for the Management of Positions and Promotions	Recruitment and interviews must meet the personnel needs of each department Employee performance assessment must be carried out regularly; the results of performance assessment should serve as the condition for promotion or non-promotion
Measures for the Management of Employee Training Measures for the Management of Two-Way Exchange Training of Talents	The Group provides training for its employees according to job requirements and employee ability to ensure it has the manpower necessary for further development
 Laws and regulations	
Vocational Education Law	Law on Safe Production

The development of the Group requires corresponding manpower. To this end, the Group developed a complete set of training systems and training programs. The Human Resources Department is responsible for introducing training policies and assisting other departments in formulating training plans to ensure that training is well suited to employees and their jobs. In addition, the Human Resources Department needs to set training budgets, collect training data, track training and prepare training files to ensure that all the resources put into training meet expectations.

Sustainable Development Performance

Value Talent

To make training more targeted, the departments will analyze the training needs and formulate employee training plans according to the headquarters' training system, department responsibilities, job requirements and employee development goals, and assess the training with the assistance of the Human Resources Department. The Group runs the "One-on-One Training Program" and gives "Three-Tier Safety Education" for newly recruited employees to ensure that they quickly learn job requirements and integrate into the work team. For technicians at all levels, the Group adopts the mentoring system to boost overall technical performance through the inheritance of experience.

The Group launched its online training platform "Shenzhen International Academy" in mid-2021, providing more than 3,000 general courses and 15 student-end functions. The training content covers leadership, occupational quality, professional positions, industry courses, etc. As of late 2021, 686 people had received the training.

To draw the attention of the Board of Directors, the management and the department heads of headquarter on the impact of sustainable development on the Group, the Board of Directors of the Company held, online and offline, the "Environmental, Social and Governance (ESG) Work 2021" special training session at the Shenzhen Headquarters and Hong Kong Headquarters. The Group hired a professional external consultant for this training. The consultant gave professional lectures on a number of sustainable development issues based on the results of a prior survey conducted by the Group.

The Group provides its employees with regular vertical and horizontal development opportunities in the hope of enabling the employees to develop their own interests and strengths through the establishment of various open, unambiguous channels.



Vertical development:
career development channel;
technology development channel



Horizontal development:
internal job transfer

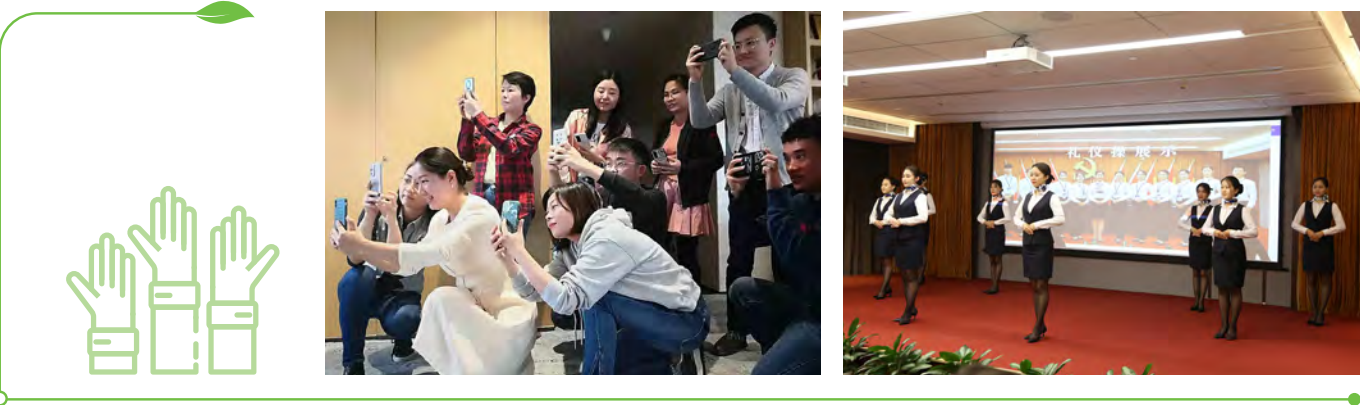
To sharpen the employees' sense of belonging, the Group actively organizes various of recreational activities in the hope of bringing about unity among the employees and promoting group cooperation. In 2021, the Group held the "Engagement Now, Future Leadership" employee fun sports meeting. Over 200 employees participated and displayed unity and enterprise in the competitions.



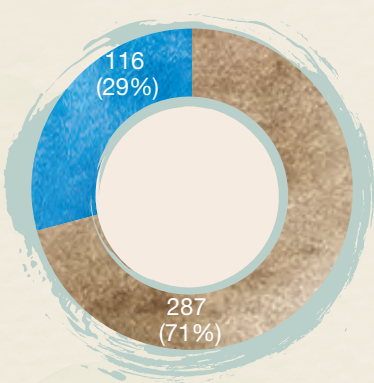
Sustainable Development Performance

Value Talent

In addition, the Group offers diverse hobby courses to encourage employees to develop their personal interests and enjoy their spare time. The photography group under the Group’s trade union gave a lecture titled “Mobile Photography for Group Activities” in 2021 to share photography skills with interested employees. About 30 employees participated in the event online and offline. To display admirable personal professional ethics and build a corporate image, the Group organized the “Personal Ethics Improvement Month” training in which the lecturer gave a lecture titled “Modern Business Etiquette”. Over 120 employees attended the lecture online and offline. The lecturer cited examples from work and life and took into account the nature and characteristics of the jobs of Shenzhen International employees in his lecture. He deepened the employees’ understanding of business etiquette with four parts, which included “Why Study Business Etiquette” and “Notes on Business Reception”.

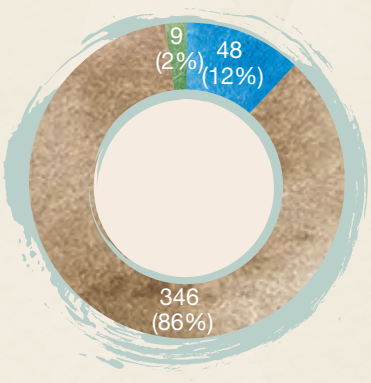


Number and Ratio of Trained Employees by Gender



- Male
- Female

Number and Ratio of Trained Employees by Employment Types



- Senior management
- Middle management
- General staff

Occupational health and safety

Policy	Objective
Safety, Health and Environmental Protection Management Regulations	 The Group's various management systems have reduced the chances of employee injury at work and specified the handling procedures and compensation for employees in the event of an accident to protect the rights and interests of employees
Occupational Safety Management Policy	
Work Injury Insurance Management Policy	
Measures for Safety Education and Training	 The Group raises its employees' safety awareness and ramps up safety training
 Laws and regulations	
 Law on Safe Production  Law of the People's Republic of China on the Prevention and Control of Occupational Diseases	 Fire Protection Law of the People's Republic of China

As an enterprise that follows through with its commitments, the Group has the responsibility to provide its employees with a healthy and safe work environment and make sure its employees are not exposed to work-related injury. Therefore, the Group requires all its operating sites to formulate an occupational health management plan in line with the nature of its business, such as evaluation of occupational hazards, repair and maintenance of equipment against occupational hazards, and regular safety inspections. In addition, the Group arranged occupational health check for its employees to afford them basic health protection.

The Group's training efforts in the Year revolved around safety. In the second quarter of 2021, it held a meeting to inaugurate the "Month of Safe Production" in the hope of raising employee awareness about safety training and preventing work-related injuries and accidents. Safety training in the Year adhered to the following principles:

1. Inspect the planning and quality of safety training to boost training results
2. Allocate responsibilities to the management to ensure effective supervision of safety training
3. Urge employees to receive the required amount of annual safety training
4. Training must be provided for all newly joined employees; certification is required for all special positions

Sustainable Development Performance

Value Talent

The Group laid down safety training requirements that target different employees and the characteristics of their jobs:

Jobs	Staff	Training requirements
Ordinary jobs	Newly appointed persons in-charge and safety managers	Must pass the safe production knowledge and management ability test within 6 months of taking office. The duration of the first safety training shall reach 32 hours minimum, and the duration of the annual retraining shall reach 12 hours minimum.
	Newly recruited ordinary employees	The duration of the first safety training shall reach 24 hours minimum, and the duration of the annual retraining shall reach 8 hours minimum.
High-risk jobs	Persons in-charge and safe production managers	The duration of the first safety training shall reach 48 hours minimum, and the duration of the annual retraining shall reach 16 hours minimum.
	Newly recruited ordinary employees	The duration of the first safety training shall reach 72 hours minimum, and the duration of the annual retraining shall reach 20 hours minimum.
Special operations	All employees	Must receive special training in accordance with applicable national laws and regulations, and can start work only after passing the test and obtaining a special operation certificate.

The Group's safety training involves a variety of subjects. All business divisions must meet safety training requirements in accordance with the "graded training, graded responsibility, and cross-department integration" principle. The training covers the following content:

1. Laws and regulations on safe production
2. Basics in safe production
3. Safe production procedures, including national and industry standards, regulations, norms, company operating procedures, case study, etc.
4. Analysis of the work environment and risk factors, including identification of hazard sources and hidden dangers, personal risk prevention, disaster avoidance, self-rescue methods, emergency evacuation and emergency response at accident sites, use and maintenance of safety facilities and personal protective equipment, safety hazards and precautions, occupational disease prevention and others
5. Other safe production related training

All units' safety training will be considered when the annual safety assessment is made. Any employee who fails to complete the required safety training in accordance with the Group's regulations will automatically lose the opportunity to compete in the Group's annual safety performance competition, or even face punishment according to the Group's Measures for Assessing Safety, Health and Environmental Protection Performance.

The Group follows corresponding procedures to handle work-related injuries:

1. Personnel at the site of work-related injuries should immediately attempt a rescue and arrange for the medical staff to send the injured to hospital. The person in charge of the department to which the injured employee belongs should also immediately rush to the site to handle the emergency.
2. The person in charge of the Safety Department shall, within 12 hours of the accident, report the medical history of the injured employee and the accident to the Safety Department, which backups the data for subsequent processing.
3. The Human Resources Department shall, within three months of the accident, go to the insurance company with the injured employee to get a work-related injury application form in preparation for settlement of insurance claim.

No work-related injury occurred at any of the operating sites of the Group in the Year. No work-related fatalities occurred at any of the Group's operating sites over the past three years.

Case study

(1) Flood prevention emergency drill at the Fengcheng Shangzhuang Port Project

To boost its capability for handling floods and ensure the safety of the personnel at the site of the project during flood seasons, Fengcheng Shangzhuang Port Project held the 2021 Flood Control Emergency Drill. The drill included emergency evacuation of personnel and mechanical equipment, emergency rescue on low-lying embankments and gaps, and drowning rescue at the project site. From the discovery of the dangers to the successful removal of them, the drill participants' rescue response was efficient, orderly and rapid. The flood control emergency drill was completed within 30 minutes.

The Fengcheng Shangzhuang Port Project will raise its awareness of the responsibility for flood prevention, improve the safety measures during flood seasons, and boost its ability to cope with floods by putting everything under surveillance and monitoring the weather and the changes in the level of the water around the project.

(2) Electrical safety training

To further raise the employees' awareness of the safe use of electricity and reduce or avoid electrical safety accidents, the Group invited external experts to give electrical safety training. More than 30 personnel, including safety directors from the various divisions and enterprises under the direct leadership of the Group, key staff of the Safety Department and full-time electricians, underwent the training. The employees of Nanjing Xiba Port received the training via a video link. The training deepened the employees' understanding of the regulations on electrical safety and the types, hazards and causes of electrical accidents. Their heightened awareness of risk prevention has helped to avoid electrical safety accidents.


Sustainable Development Performance

Corporate Integrity

CORPORATE INTEGRITY

The probity and efficiency of governance on business operation is the foundation for a company's long-term development. Therefore, the Group has been improving the systems and processes for supply chain management and business operations to reduce potential risks and improve overall governance efficiency.

Tackling corruption

Policy	Objective
Policy of Report on Misconduct, Major Supervision Mechanism Work Plan Measures for Centralized Management of Issues and Clues	● A transparent mechanism can improve supervision efficiency, thoroughly reduce the risk of corruption, fix problems effectively and prevent the recurrence of similar problems
Regulations on Personnel Involved in Important Projects Declaring Connections to Personnel of Partners and Avoiding Contact with Them	● Provides a clear definition of the conflict of interest and at the same time specifies the situations that employees should voluntarily declare and avoid and relevant procedures
 Laws and regulations	
● Law of the People's Republic of China on Anti-unfair Competition	● Law of the People's Republic of China on Anti-money Laundering

The Group's business culture values honesty, prohibiting corruption in all its forms. A comprehensive mechanism for supervising "discipline, finance, enterprise management, administration, auditing, risk management, and project supervision" can ensure all areas of business operations are under close watch. At the same time, the Group develops its employees' financial supervision ability to form a professional internal financial supervision team that can combat financial corruption effectively. In addition, to close loopholes and reduce risks, the Group regularly holds supervision meetings and conducts all kinds of inspections so it can make suggestions for process improvement.

If employees encounter any misconduct, including corruption, bribery, unfair competition and others that violate corporate norms, they can report it to the Group anonymously through internal whistle-blowing channels. Upon receipt of the report, the Group's Supervisory Committee or Audit Committee will conduct a direct investigation, hire auditors, form an independent advisory group or transfer it to the local law enforcement authorities for handling and track the progress and results of the handling process based on the nature of and circumstances surrounding the incident. The whistleblower's information will be kept confidential in the whole process. He will suffer no punishment whatsoever whether or not the allegations hold true.

With respect to anti-corruption training, various departments of the Group provided the "Integrity Micro Class" offline training which covered the "four forms" of discipline enforcement supervision, processing of reports and accusations, classification and handling of violations of the spirit of the Central Committee's eight regulations, joint violations of discipline, case filing, responsibility division, clue handling after initial verification, etc. Specific cases were analyzed in the training to enable an in-depth understanding of the training content. 400 employees attended 10 anti-corruption training sessions in the Year. In addition, the Group's theory group (expanded) of the month of building clean governance, fighting corruption and discipline education in 2021 held a special study meeting in the hope of raising employees' integrity awareness through sharing.

The Group provided more than 40 hours of integrity and anti-corruption training for the Board of Directors and employees in the Year.

Supply chain management

Policy	Objective
Management and Selection Method for the List of Intermediary Agencies	● To maintain the quality and stability of the supply chain, the Group introduced sweeping policies to screen suppliers that meet the requirements
Management and Evaluation of Internal Control Systems	● To improve the overall sustainability performance of the supply chain, the Group added ESG elements to the various requirements, such as employee safety, exhaust emission and solid waste emission, etc.
Measures for Management of Bidding and Procurement	● To inspect the compliance process and contract of tendering process
Guidelines for the Supervision and Management of Bidding	
Safety Management System for Related Parties	
Measures for the Management of Selecting Intermediary Agencies	
Property Management Manual	

During the continuous development of the Group, the performance of suppliers and contractors is also closely related to the Group's operations. Therefore, the Group formulated different environmental and social requirements for suppliers in the entire industry chain to promote the overall sustainable development performance to reduce the relevant risks of the supply chain, while helping to create a better long-term development ecosystem for the Group. In accordance with the Management and Selection Method for the List of Intermediary Agencies, the Group evaluated the services of 81 intermediaries and updated the database. In 2021, 58 intermediaries were included in the database. If any suppliers fail to fulfil the relevant requirement, the Group would ask them to improve or cease the cooperations according to the policies and procedures established.

Environmental requirements	Social requirements
● Suppliers shall take appropriate and effective measures to reduce emissions of waste gas, waste water and solid waste generated during construction,	● Ensure that its employees are provided with appropriate protective equipment for protecting their personal safety and
	● Ensure that its employees work for acceptable hours. If overtime is necessary, they should make the overtime payment on time and in full
	● The Group signed project safety, health and environmental protection (SHE) agreements with suppliers, or included the SHE management clauses in the contract to specify the rights and obligations of both parties
	● The Group used SHE performance records and auditing results as one of the bases for bid inviting, procurement and target setting
	● The Group hired third-party consultants to regularly conduct surprise inspections on the safety performance of suppliers at all sites to promote supplier safe production

Sustainable Development Performance

Corporate Integrity

Product liability

Policy	Objective
General Warehouse Business Contract	<ul style="list-style-type: none"> To provide a safe operating environment for the tenants and port users at each operating site, the Group formulated a series of management measures and policies to provide references and requirements for safety services according to the characteristics of different operating sites
Property Management Manual	
Measures for Freight Quality Management	
Management Measures for Supervision and Inspection of Production Safety and Investigation of Hidden Hazards	
Measures for Safety Management of Equipment and Facilities	
Management Measures for Fire Safety	
Management Measures for Dangerous Operations	

Laws and regulations

- Law of the People's Republic of China on Product Quality

As a provider of transportation and logistics services, the Group provides high-quality port and logistics park services to customers and tenants at its operating sites. The overall security of the operating sites is the most important part of the Group's business as well as its most solemn promise to customers. Therefore, the environment and service quality of the operating sites have long been the concerns of the Group. The Group developed policies and measures that suit the different characteristics of the operating sites.

Operating site	Measures
Logistics park/ Integrated logistics hub	<ul style="list-style-type: none"> The Group regularly checks the fire safety of warehouses and other supporting facilities to reduce the risk of fire; and Works with tenants in the logistics parks to ensure the normal use of water, electricity and firefighting facilities The Group sets order-maintaining positions that include foreman, gate guard, patrol, surveillance and mobile personnel; Order-maintaining personnel must conduct regular inspections, and the number of nighttime inspections shall reach four minimum; and Without permission, outsiders are prohibited from entering and working in the integrated logistics hubs
Port	<ul style="list-style-type: none"> The Department of Commerce Management is responsible for the management, supervision and assessment of freight quality; The Operations Department is responsible for implementing the requirements for cargo quality; and The Equipment Management Department is responsible for the operation and maintenance of equipment; it shall investigate and handle any quality accident that occur

Customer communication

Policy	Objective
Complaint registration form	Provides a channel for customers to express their opinions and collects their opinions as a basis for improving business operations
Property Management Manual	Provides employees with clear requirements for the quality of property management to ensure service quality
Program for Measuring Customer Satisfaction	Enables employees to grasp the degree of customer satisfaction through established procedures and methods and formulates targeted improvement measures

Some of the Group's operating sites will further understand customer satisfaction and opinions by running the Program for Measuring Customer Satisfaction. Business departments will report to the Company after adopting relevant procedures, and the management of the Company will also conduct random inspections on a regular basis.

To ensure a customer's complaint can be handled promptly, the Group will immediately contact the complainant after receiving the customer's complaint and record their information in the customer email registration form or the complaint registration form. The park manager is required to attend the site to deal with the complaint and inform the complainant of the time required for handling. A return visit must be made to the complainant after the investigation and handling to ensure their problems are properly handled.

The operating sites of the Group received no customer complaint in the Year.

Sustainable Development Performance

Corporate Integrity

Data and data security

Policy	Objective
Information Security Management Systems	Various information processing procedures and the authority they are given can effectively ensure the Company's information security and the Group's network and information security
Measures for the Management of Market Database	Laying down market data access requirements ensures the supply and demand and sharing of data resources as well as the security of important information
Property Investment Promotion Agency Service Agreement	The signing of the confidentiality clauses can ensure the secrecy of the Group's important information
Privacy agreements	
Management of Information Disclosure	The Group regulates the behavior of employees to ensure they abide by regulations on information disclosure and confidentiality. Violation of the regulations or dereliction of duty will incur punishment from the Company in proportion to the severity of the case
Regulations on the Board of Directors and Employees Making Security Transactions	

The Group has a massive storage of business operation data, customer service data and market data. Therefore, the Group has the responsibility to build a safe security system and information processing system that can reduce the risk of network insecurity and data leakage.

To protect information privacy, the Group signed confidentiality clauses with customers and privacy agreements with employees to ensure that both parties are clear about their confidentiality responsibilities. An employee who needs to submit data to other organizations or companies must obtain approval from the department concerned or the Company before he seals the document and sends it out. Whether he can obtain approval depends on the confidentiality level of the data, the destination of the data and the level of data submission.

The Group's operating sites purchase network security equipment, supervise network security platforms, and provide network security guards to comprehensively ensure cyber security. In addition, as the Group's operating sites significantly increased the application of intelligent systems or technologies in recent years, the Group also watches network security closely. The Group held a research meeting at Qianhai Smart Park Project to give publicity to Qianhai Smart Park's work on network security. To ensure network security, the systems deployed in the smart park shall not connect to the Internet before passing the network security test to prevent network security breaches.

In addition, the Group held its second cybersecurity briefing and training session in 2021. During the briefing, the Group released its cybersecurity review for 2021. At the same time, cybersecurity experts shared the Path to Security and Governance of Enterprise Data, explained in simple terms how to ensure enterprise data security and talked about the major issues worthy of attention.

Intellectual property rights and advertising

To maintain investment in research and development, the Group will rigorously protect the core data about the research and development of protective equipment and product innovation and apply for patent protection.

The Group's business scope does not cover product recycling, advertising or labeling for the time being, so no relevant policies have been developed. Corresponding systems will be built to adapt to the development of and changes in business.

HARMONIOUS COMMUNITY

Management and response during COVID-19

COVID-19 continued to take its toll in the past year, making a profound impact on the entire society. As an open-type port of the Group, Nanjing Xiba Port receives cargo ships from other places every day. It poses a grave challenge to COVID-19 prevention. To protect employees and ensure the smooth flow of logistics, the Group adopted strict pandemic prevention measures to minimize the risk of virus transmission.

Externally, the Group registers its ships in separate standing books to ensure the information integrity and accuracy of data; the Security Office, based on the actual port conditions, designates an area at entrance to the gangway as the pandemic prevention and control area, marks off a disinfection area, and adds shoe sole disinfection trays and anti-pandemic decontamination tents to minimize the risk of virus transmission. The port also set up a temporary medical observation room provided with pandemic prevention supplies and basic living facilities. Those who are in quarantine can stay where they are at the port and need not enter the community. Eye-catching warning signs and cordons are provided at the port to ensure that crews from other places know their scope of activity. This measure serves to protect the safety of the port staff.

The port's watch box is provided with high-frequency walkie-talkies, temperature probes, and sufficient pandemic prevention and disinfection supplies to ensure the safety of employees while the work is in progress. The watchmen must follow the road signs to enter the "contaminated area", "semi-contaminated area" and "clean area" to get disinfected and change into clean clothes before leaving the pandemic prevention and control area.

Thanks to the diligence of employees and the concerted efforts of all departments, the Group can block the spread of COVID-19 from overseas and ensure the normal operation of Nanjing Xiba Port during the outbreak of the virus and the smooth flow of marine transport.

Internally, the Group formulated Pandemic Prevention and Control Emergency Response Plan of Shenzhen International, Pandemic Prevention and Control Implementation Plan for Hong Kong Headquarters of Shenzhen International and Pandemic Prevention and Control, Resumption of Production and Work Safety, and Production Safety Guidelines of Shenzhen International to oversee safe production and pandemic prevention and control. The Group also put up posters that spread knowledge of pandemic prevention to heighten employees' awareness.

In addition, the Group requires all employees to go through the temperature-checking and disinfection process before entering the workplace. The Group's canteen serves diners separately. It requires employees to keep a safe distance from one another, keeps to a flexible work schedule and encourages working from home to prevent the spread of the virus.

During the Year, The Group purchased 70,000 masks, some ethyl alcohol and other medical supplies for free use by employees to ensure good personal hygiene.

Sustainable Development Performance

Harmonious Community

Poverty alleviation

Over the years, the Group has assisted many farmers in eradicating poverty. As an enterprise that follows through with its commitments, the Group made field trips to fully understand the local needs and formulated suitable and effective poverty alleviation plans. In 2021, the Group provided Xinmin Village with considerable assistance to lift it out of poverty. It even made an average of 2-3 nighttime visits to farmers to get to know what difficulties they encountered in their lives. In addition, representatives of the Group showed care for poor households and sent them Spring Festival greetings. During the Spring Festival, Mid-Autumn Festival and other festivals in 2021, Shenzhen International visited eight poor families in Minxin Community and donated money, rice and edible oil to them. The Group learned about the health and needs of people in straitened circumstances through face-to-face communication, and explored solutions with Minxin Community to effectively improve the quality of the lives of poor families.



As of late 2021, the Group reached agreements with the farmers on the transfer of 1,000 mu of land. The village collective will have an income of RMB50,000 annually—a solid step toward rural revitalization.

The Group began to help Xinmin Village in 2016. Through scientific planning, overall progress, targeted policy implementation and targeted poverty alleviation, the Group successfully completed the task of poverty alleviation and in so doing showcased its strength and broad vision as a state-owned enterprise. Because of its poverty alleviation efforts in Xinmin Village, the Guangdong Province Rural Work Leadership Group once again awarded the Group the title of “Outstanding Collective and Individual in Guangdong for Poverty Alleviation in 2019-2020”. It is one of the six Shenzhen-based state-owned enterprises that have won this honor twice in a row. Meanwhile, The documentary “Above Thick Earth” on the Group’s poverty alleviation efforts in Xinmin Village, Heyuan, was premiered and shortlisted for the “10th China Documentary Academy Award”.



Active participation in social welfare undertakings

In addition to poverty alleviation, the Group also actively participates in various social welfare activities in the hope of giving back to society through concrete actions.

In 2021, the Group launched the charity event “Speak for Love, Books Warm the Heart of Children” at which about 600 books were donated to children. The event conveyed the message that reading promotes social harmony and helps rural teenagers grow. Moreover, to thank people for their contributions to the community, the Group cooperated with the Party Branch of Liwan Community, Nanshan District, Shenzhen, to launch the activity theming “Service to the Masses, Coolness in Summer”. At the site of the event, pandemic prevention workers, volunteers and community staff received summer drinks, instant noodles and other items. This promoted “neighborhood unity” and created a harmonious atmosphere.



As affirmation from society, the Group’s poverty alleviation story “State-owned Enterprise Revitalizing Rural Economy” was rated as one of the top 10 best rural revitalization stories at the Forum on the Social Value of State-owned Enterprises (2021) and the Blue Book on the Social Value of State-owned Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area (2021). The blue book takes samples from the state-owned enterprises in the Greater Bay Area for the first ever research on the social value of state-owned enterprises. It comprehensively introduces how the state-owned enterprises in the Greater Bay Area fulfilled their social responsibilities and enhanced their social value.

A SUSTAINABLE FUTURE

In 2022, the Group will seize the opportunities that come with the development of the Greater Bay Area, set its “14th Five-Year” plan as its development goal, bolster confidence, support urban development, boldly push through reform and play its part in achieving national prosperity, rejuvenation and well-being. The Group will further implement the existing sustainable development strategy, put in more manpower and resources for green development, find the right direction for the low-carbon transition of its port and logistics parks and build an even better future.

Appendices

APPENDIX (1) — OVERVIEW OF COMPLIANCE WITH LAWS AND REGULATIONS

	Laws and regulations	Degree of compliance
A1 Emissions	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Water Pollution Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	In the Year, the Group did not discover any emission-related violation of laws and regulations.
A3 The Environment and Natural Resources	Environmental Protection Law of the People's Republic of China	In the Year, the Group did not discover any environment-related violation of laws and regulations.
B1 Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Law of Employment Promotion Regulation on Paid Annual Leave for Employees Law of the People's Republic of China on the Protection of Minors Provisions of the State Council on Employees' Working Hours Regulations on the Spring Festival Holidays and Remembrance Days Interim Regulations on Wage Payment Law of the People's Republic of China on Work Safety Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Fire Protection Law of the People's Republic of China	In the Year, the Group did not discover any employment-related violation of laws and regulations.
B2 Health and Safety	Law on Safe Production Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Fire Protection Law of the People's Republic of China	In the Year, the Group did not discover any health or safety-related violation of laws and regulations.
B4 Labour Standards	Labor Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors	In the Year, the Group did not discover any labor code-related violation of laws and regulations.
B6 Product Responsibility	Labor Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors	In the Year, the Group did not discover any product liability-related violation of laws and regulations.
B7 Anticorruption	Law of the People's Republic of China Against Unfair Competition Anti-Money Laundering Law of the People's Republic of China	In the Year, no lawsuit alleging corruption was filed against the Group or its employees, and no violation of the laws and regulations that have a significant impact on the Group was discovered.

APPENDIX (2) — OVERVIEW OF KEY PERFORMANCE INDICATORS AND REPORT CONTENT INDEX

Environmental key performance indicators

Environmental key performance indicators	2021 ³	2020 ⁴	2019 ⁵	Unit
Aspect A1 Emissions				
A1.1 Types of emissions and respective emission data				
Nitrous oxides	945	6,012	11,258	kilograms
Sulfur oxides	42	124	233	kilograms
Respirable suspended particulates	18	168,599	188,030	kilograms
A1.2 Total greenhouse gas emissions and intensity				
Scope 1 - Direct greenhouse gas emissions	1,666	1,744	2,028	tons of CO ₂ equivalent
Scope 2 - Indirect greenhouse gas emissions	38,499	25,418	23,410	tons of CO ₂ equivalent
Scope 3 - Other indirect greenhouse gas emissions	20	25	32	tons of CO ₂ equivalent
Total greenhouse gas emissions (Scopes 1, 2 and 3)	40,186	27,187	25,470	tons of CO ₂ equivalent
Greenhouse gas intensity (by area)	0.030	0.026	0.029	tons of CO ₂ equivalent per square meter
A1.3 Total amount of hazardous waste produced⁶				
Total amount of hazardous waste produced	3.80	3.89	5.57	ton
Hazardous waste intensity (by area)	9.5	17.7	25.2	tons/million square meters
A1.4 Total amount of non-hazardous waste produced and intensity⁷				
Total amount of non-hazardous waste produced	1,880	5,871	3,293	ton
Non-hazardous waste intensity (by area)	1.80	5.11	4.01	tons/1,000 square meters
Aspect A2: Use of Resources				
A2.1 Total energy consumption				
Direct energy	7,708	6,851	8,836	MWh
Indirect energy	65,934	41,662 ⁸	38,371	MWh
Total energy consumption	73,642	48,513	47,207	MWh
Energy intensity (by area)	0.06	0.047	0.053	MWh/square meter
A2.2 Total water consumption				
Total water consumption	700,566	718,253	662,616	cubic meters
Water consumption intensity (by area)	0.53	0.63	0.74	cubic meters/square meters
A2.5 Total amount of packaging materials used and intensity				
Total amount of packaging materials used ⁹	0.32	0.36	0.53	ton
Intensity of packing materials used (by area)	0.49	1.12	2.78	tons/million square meters

³ The scope of the report: South China Logistics Park, Nanjing Xiba Port, Yantai Booming Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub, Guizhou Longli Integrated Logistics Hub and Wuxi Huishan Integrated Logistics Hub

⁴ The scope of the report: South-China Logistics Park, Nanjing Xiba Port, Yantai Booming Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub, Nanchang Integrated Logistics Hub and Guizhou Longli Integrated Logistics Hub

⁵ The scope of the report: South-China Logistics Park, Nanjing Xiba Port, Yantai Booming Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub and Nanchang Integrated Logistics Hub

⁶ In 2021, only Nanjing Xiba Port generated hazardous wastes

⁷ In 2021, only Nanjing Xiba Port, Wuhan Dongxihu Integrated Logistics Hub, Guizhou Longli Integrated Logistics Hub and Wuxi Huishan Integrated Logistics Hub generated non-hazardous wastes

⁸ The electricity consumption of South China Logistics Park in 2020 only covered that consumed by office.

⁹ In 2019 and 2020, only South China Logistics Park consumed packaging materials. while in 2021, only Shenyang Integrated Logistics Hub and Wuxi Huishan Integrated Logistics Hub consumed packaging materials

Appendices

Social key performance indicators

Distribution of employees		Number of employees ¹⁰						
		South China Logistics Park	Nanjing Xiba Port	Yantai Booming Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Guizhou Longli Integrated Logistics Hub
Total number of people		104	229	44	6	16	2	2
Gender	Male	56	189	26	4	8	2	2
	Female	48	40	18	2	8	0	0
Rank	Senior management	2	3	2	0	2	0	0
	Middle management	24	14	5	1	3	0	1
	General staff	78	212	37	5	11	2	1
Age	30 or below	23	34	5	1	1	0	1
	31 - 40	34	88	32	3	11	2	1
	41 - 50	35	51	6	1	4	0	0
	Over 50	12	56	1	1	0	0	0
Employment type	Full-time	104	229	44	6	16	2	2
	Part-time	0	0	0	0	0	0	0

Distribution of employees		Ratio of departing employees						
		South China Logistics Park	Nanjing Xiba Port	Yantai Booming Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Guizhou Longli Integrated Logistics Hub
Total percentage of employees who leave the Group		2.88%	6.99%	29.55%	0%	25.00%	0%	150.00%
Gender	Male	3.57%	7.41%	23.08%	0%	25.00%	0%	0%
	Female	2.08%	5.00%	38.89%	0%	25.00%	0%	0%
Age	30 or below	4.35%	20.59%	60.00%	0%	100%	0%	200.00%
	31 - 40	0%	10.23%	18.75%	0%	9.09%	0%	100.00%
	41 - 50	0%	0%	66.67%	0%	50.00%	0%	0%
	Over 50	16.67%	0%	0%	0%	0%	0%	0%

Distribution of employees		Ratio of new employees						
		South China Logistics Park	Nanjing Xiba Port	Yantai Booming Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Guizhou Longli Integrated Logistics Hub
Total percentage of new employees		13.46%	6.55%	29.55%	0%	6.25%	0%	100%
Gender	Male	12.50%	5.82%	26.92%	0%	12.50%	0%	100%
	Female	14.58%	10.00%	33.33%	0%	0%	0%	0%
Age	30 or below	26.09%	26.47%	40.00%	0%	0%	0%	100%
	31 - 40	5.88%	2.27%	31.25%	0%	9.09%	0%	100%
	41 - 50	11.43%	3.92%	16.67%	0%	0%	0%	0%
	Over 50	16.67%	3.57%	0%	0%	0%	0%	0%

¹⁰ All employees are from China.

Other employees	Number of people ¹¹						
	South China Logistics Park	Nanjing Xiba Port	Yantai Booming Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Guizhou Longli Integrated Logistics Hub
Plumber and electrician	3	0	0	2	0	0	2
Greening worker	2	0	0	1	0	0	1
Security	187	12	6	9	27	18	19
Cleaning	36	4	5	5	19	7	7
Engineering	0	0	0	1	9	7	4
Clerk	2	0	0	1	1	1	2
Manager	0	0	0	1	1	1	1

Training data		Number and percentage of trained employees						
		South China Logistics Park	Nanjing Xiba Port	Yantai Booming Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Guizhou Longli Integrated Logistics Hub
Total number of trainees and percentage		100%	100%	100%	100%	100%	100%	100%
Gender	Male	56	189	26	4	8	2	2
	Female	48	40	18	2	8	0	0
Rank	Senior management	2	3	2	0	2	0	0
	Middle management	24	14	5	1	3	0	1
	General staff	78	212	37	5	11	2	1

Training data		Average training time (hours)						
		South China Logistics Park	Nanjing Xiba Port	Yantai Booming Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Guizhou Longli Integrated Logistics Hub
Gender	Male	8.39	24.00	56.00	14.00	40.00	40.00	32.00
	Female	8.04	24.00	56.00	12.00	38.13	0	0
Rank	Senior management	10.00	24.00	56.00	0	45.00	0	0
	Middle management	8.17	24.00	56.00	20.00	50.00	0	32.00
	General staff	8.21	24.00	56.00	12.00	35.00	40.00	32.00

Occupational safety and health	Performance
Number of work-related deaths and percentage	0 from 2019 to 2021
Number of work-related injuries and percentage	0
Working days lost due to work-related injury	0

¹¹ All other employees are from China.

Appendices

Region	Supplier data						
	South China Logistics Park	Nanjing Xiba Port	Yantai Booming Logistics Park	Wuhan Dongxihu Integrated Logistics Hub	Shenyang Integrated Logistics Hub	Wuxi Huishan Integrated Logistics Hub	Guizhou Longli Integrated Logistics Hub
Guangdong Province	66	0	0	0	0	0	1
Shandong Province	0	1	0	0	0	0	0
Hubei Province	1	0	0	34	0	0	0
Liaoning Province	0	0	0	0	20	0	0
Tianjin	0	1	3	0	1	0	0
Jiangxi Province	0	0	0	0	0	0	0
Jiangsu Province	2	10	0	0	0	15	1
Shanghai	3	2	0	0	0	0	0
Hebei Province	0	1	0	0	0	0	0
Jilin Province	0	0	0	0	0	0	0
Zhejiang Province	1	1	0	0	0	0	0
Beijing	1	1	0	0	2	0	0
Fujian Province	0	0	0	0	0	0	0
Henan Province	0	1	0	0	1	0	0
Guizhou Province	0	0	0	0	0	0	1
Others	1	0	0	0	0	0	0
Number of suppliers following relevant practices ¹²	100%						
Total number of suppliers	172						

¹² Refers to suppliers selected with the management and selection method for the List of Intermediary Agencies (《中介機構備選庫管理及選聘方法》) by the Group.

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Appendices

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Shenzhen International
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Shenzhen International Holdings Limited
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