

物流天下
德行天下



Shenzhen International
深國際

Logistics with Ethics
For a Better World

Environmental,
Social and
Governance Report
2022



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

(Incorporated in Bermuda with limited liability)

Stock code : 00152



CONTENTS

- 2 About the Group
- 4 About this Report
- 6 Message from the Chairman
- 7 Approach to Sustainability
- 14 Communication with Stakeholders
- 19 ESG Performance of the Group
- 21 Feature Story
- Sustainability Performance
- 29 Inclusive with the Concept of Green
- 37 Empower the People
- 43 Carry On with Integrity
- 50 Growing with People
- Appendices
- 52 (1) Overview of Compliance with Laws and Regulations
- 53 (2) Overview of Key Performance Indicators and Report Content Index

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 Company is directly and indirectly held as to approximately 44.35%¹ equity interest by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal through Shenzhen Investment Holdings Limited. The Group defines the Guangdong-Hong Kong-Macao Greater Bay Area (the “Greater Bay Area”), the Yangtze River Delta and the Beijing-Tianjin-Hebei areas as well as other major logistics gateway cities as key strategic regions. Through investment, mergers and acquisitions, restructuring and consolidation, the Group focuses on the investment, construction and operation of logistics infrastructure in the four major areas of “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure” (including inland ports, urban integrated logistics parks, air cargo terminals and railway logistics terminals) and toll roads. The Group provides its customers with value-added logistics services including intelligent warehouse and integrated cold chain warehousing, and also expanded its business segments to include the comprehensive development of land related to the “logistics + commerce” industries as well as the investment in and operation of general-environmental protection business, thereby creating greater value for its shareholders.

LOGISTICS BUSINESS

The Group has extensive experience in the development, operation and management of logistics parks. Based in Shenzhen, the Group focused on economically affluent regions such as the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta and the Beijing-Tianjin-Hebei Region. Through self-construction, acquisition and other methods, the Group continues to consolidate its logistics assets and expand its operating scale in order to establish a comprehensive “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure” logistics infrastructure network. At the same time, the Group strives to become “the leading first-class comprehensive logistics services provider in the PRC”, adopts as its core business functions the development and operation of urban high-end logistics complexes such as high-standard warehouses and intelligent logistics hubs, and meets customer needs in a comprehensive manner by providing integrated logistics services such as intelligent warehousing and storage, cold chain, supply chain finance and third-party logistics.

As of 31 December 2022, the Group has established foothold in approximately 40 key logistics gateway cities across the country, and managed and operated a total of 34 logistics projects with a planned land area of approximately 10.46 million square meters in aggregate, among which approximately 8.15 million square meters have obtained operation rights and approximately 4.31 million square meters were in operation.



¹ As of 31 December 2022

PORT AND RELATED SERVICE BUSINESS

SZI Port (Nanjing Xiba) (“Nanjing Xiba Port”), in which the Group holds 70% equity interest, is located in the New Material Industrial Park of Jiangbei New District, Nanjing. It is one of the major deep-water port areas planned and constructed by the government of Nanjing City and is also the only public bulk cargo terminal for vessels with a tonnage capacity over 10,000 tonnes located in the north of the Yangtze River in Nanjing Port. It has the capability of providing various services such as unloading, loading, lightering, train unloading and loading, warehousing, etc. Nanjing Xiba Port (inclusive of the first and second phases of the port) has one general bulk cargo terminal with a tonnage capacity of 50,000 tonnes, two general bulk cargo terminals with a tonnage capacity of 70,000 tonnes each and two general bulk cargo terminals with a tonnage capacity of 100,000 tonnes each, and depots with an area of approximately 400,000 square meters in the first phase of the port, which are connected to the port area by rail link, and have unique regional advantages and good conditions to realize integrated river-sea, rail-water and road-water transportation.

In recent years, the Group has been actively expanding quality port projects. In particular, the construction of the Jingjiang Port Project, the Shenqiu Port Project and the Fengcheng Shangzhuang Project are all progressing steadily and are expected to put into operation in 2023. A multi-point port network is taking shape.

TOLL ROAD BUSINESS

The Group’s toll road business is managed and operated by Shenzhen Expressway Corporation Limited (“Shenzhen Expressway”), a subsidiary in which the Group holds an approximately 52% equity interest and whose H shares and A shares are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively. As of 31 December 2022, Shenzhen Expressway has invested in and operated a total of 16 expressway projects, which spanned across Shenzhen and the Greater Bay Area and extended to economically developed regions. The total toll lengths of toll roads with controlling interests operated or invested in by the Group in the Shenzhen region, other regions in Guangdong province and other provinces in China were approximately 174 km, 350 km and 119 km, respectively.

GENERAL-ENVIRONMENTAL PROTECTION BUSINESS

The Group’s general-environmental protection business is managed and operated by Shenzhen Expressway. Shenzhen Expressway has commenced operating in 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, mergers and acquisitions in recent years, Shenzhen Expressway has gradually turned its focus to the fields of solid waste treatment and clean energy businesses, thereby realizing the initial layout of the general-environmental protection business.

About this Report

This is the seventh Environmental, Social and Governance Report (the “Report”) published by the Group. The Report covers the Group’s policies, measures and performance in environmental, social and governance (“ESG”) aspects, with an aim to allow interested parties² to understand the Group’s management approach and progress towards sustainable development. This report is prepared in both Chinese and English and has been uploaded to the websites of the Stock Exchange and the Group www.szihl.com.

REPORTING BOUNDARY

This report covers ESG performance of the Group for the financial year from 1 January to 31 December 2022 (the “Year”). In order to respond to the state-level emphasis on sustainable development and improve management transparency, the Group has significantly expanded the reporting boundary during the Year, from only 7 operating sites to 29 operating sites comprising the Group’s logistics hub projects, ports and Shenzhen EDI Co., Ltd. (collectively, the “Operating Sites”) located in the Greater Bay Area, Zhejiang Region, Jiangsu and Anhui Region, Central China Region, Southwestern Region and Northern Region. This Report does not cover information on Shenzhen Expressway, which is the subject of a separate Environmental, Social and Governance Report.

The Group believes that the expansion of the reporting boundary will enable the Group to carry out in-depth summary and evaluation of the Group’s sustainability performance, provide more detailed and systematic suggestions for the Group’s development, and help the Group manage sustainability more effectively in the future.

Details of the report coverage are as follows:

Business Sectors													
SZI Logistics Hub	The Greater Bay Area												
	SZ South China Logistics Park Shenzhen Kanghuai E-commerce Center SZI Intelligent Logistics Hub – Zhongshan Torch												
	Other regions of the PRC												
	<table border="1"> <tr> <td style="background-color: #00AEEF; color: white;">Zhejiang Region</td> <td style="background-color: #4CAF50; color: white;">Central China Region</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Hangzhou (Phase I) • Ningbo • Jinhua Yiwu </td> <td> <ul style="list-style-type: none"> • Wuhan Dongxihu • Changsha </td> </tr> <tr> <td style="background-color: #9C27B0; color: white;">Jiangsu and Anhui Region</td> <td style="background-color: #009688; color: white;">Southwestern Region</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Wuxi Huishan • Suzhou Kunshan • Suzhou Xiangcheng • Hefei Feidong • Xuzhou • Nantong • Shanghai Qingpu • Shanghai Minhang </td> <td> <ul style="list-style-type: none"> • Guizhou Longli • Chongqing Shuangfu • Chongqing Shapingba • Kunming • Chengdu Qingbaijiang </td> </tr> <tr> <td style="background-color: #8BC34A; color: white;">Northern Region</td> <td></td> </tr> <tr> <td></td> <td> <ul style="list-style-type: none"> • Tianjin Binhai • Tianjin Xiqing • Shijiazhuang Zhengding • Yantai • Xi’an • Shenyang </td> </tr> </table>	Zhejiang Region	Central China Region	<ul style="list-style-type: none"> • Hangzhou (Phase I) • Ningbo • Jinhua Yiwu 	<ul style="list-style-type: none"> • Wuhan Dongxihu • Changsha 	Jiangsu and Anhui Region	Southwestern Region	<ul style="list-style-type: none"> • Wuxi Huishan • Suzhou Kunshan • Suzhou Xiangcheng • Hefei Feidong • Xuzhou • Nantong • Shanghai Qingpu • Shanghai Minhang 	<ul style="list-style-type: none"> • Guizhou Longli • Chongqing Shuangfu • Chongqing Shapingba • Kunming • Chengdu Qingbaijiang 	Northern Region			<ul style="list-style-type: none"> • Tianjin Binhai • Tianjin Xiqing • Shijiazhuang Zhengding • Yantai • Xi’an • Shenyang
	Zhejiang Region	Central China Region											
<ul style="list-style-type: none"> • Hangzhou (Phase I) • Ningbo • Jinhua Yiwu 	<ul style="list-style-type: none"> • Wuhan Dongxihu • Changsha 												
Jiangsu and Anhui Region	Southwestern Region												
<ul style="list-style-type: none"> • Wuxi Huishan • Suzhou Kunshan • Suzhou Xiangcheng • Hefei Feidong • Xuzhou • Nantong • Shanghai Qingpu • Shanghai Minhang 	<ul style="list-style-type: none"> • Guizhou Longli • Chongqing Shuangfu • Chongqing Shapingba • Kunming • Chengdu Qingbaijiang 												
Northern Region													
	<ul style="list-style-type: none"> • Tianjin Binhai • Tianjin Xiqing • Shijiazhuang Zhengding • Yantai • Xi’an • Shenyang 												
Technology Logistics	Shenzhen EDI Co., Ltd. (“EDI Co”)												
SZI Port	Nanjing Xiba												

² “Interested parties”, also known as “stakeholders” or “equity owners”, referring to groups and individuals that have a significant impact on the corporate business or may be affected by the business, including the board of directors of the Company, management, executives and general staff, as well as the shareholders, business partners, customers, government, regulatory authorities, banks, investors and community organisation, etc.

REPORTING PRINCIPLES

This Report has fully complied with the requirements of 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”), and has applied the four reporting principles (i.e. materiality, quantitative, balance and consistency) in the preparation of the Report.

Reporting Principles	Definition	Approach taken by the Group
Materiality	The Report will focus on the ESG issues which have material effects on stakeholders of the Group.	An online questionnaire survey was conducted this year to understand the expectations and opinions of stakeholders, which served as the reporting framework of this report to ensure that they could respond to their concerns. 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.	During the preparation of this report, the Group adheres to the reporting principles of impartiality and reports in full whether positive or negative.
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 to enable stakeholders to compare the Group’s performance over the years. For details, please refer to the section headed “Overview of Key Performance Indicators”.

CONFIRMATION AND APPROVAL

The Group is committed to ensuring that all information presented in the Report is accurate and reliable. After the review by Sustainability Committee, this report has been confirmed and approved by the Board on 28 March 2023.

FEEDBACK

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

Address: Rooms 2206-2208, 22nd Floor, Greenfield Tower, Concordia Plaza, No. 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong
 Tel: 852-2366 0268
 Email: info@szihl.com
 Fax: 852-2739 5123

Message from the Chairman

In 2022, extreme weather events were still relatively frequent, and their impact on corporate development cannot be ignored. In the face of the issues brought by climate change, the Group analysed its own advantages and resources, and continued to drive corporate development and transformation through differentiated strategies, to embrace the future that is full of opportunities and challenges. At the same time, in the face of the national policy direction of low-carbon transformation and green development, the Group also actively promotes technological and institutional innovation, accelerates the development of operation digitalization, accelerates the low-carbon transformation of the Group and the industry with technology, and promotes a greener and healthier development to achieve the goal of “Logistics with Ethics, For a Better World”.

In line with national development, Shenzhen International has made major progress in environmental, social and governance development during the Year, began to formulate corporate sustainability strategies to set a clear direction for the Group’s sustainable development. In order to accelerate the realisation of a low-carbon future, the Group takes “persistence” as the core principle, continues to promote sustainable development, and expects to formulate quantitative sustainability goals in the future. We also actively advocate the concept of sustainable development to be implemented in the whole life cycle of new projects, from design, construction to operation, and adhere to sustainable development as the main operating focus.

To ensure that the Group can successfully implement various sustainability policies and strategies, the Group firmly believes that maintaining effective communication with stakeholders is one of the most important factors. Therefore, in addition to discussing sustainability strategies and policies with the Board, the Group also invited internal and external stakeholders to conduct an online survey on sustainable development, and adjusted various policies and measures based on such feedback and actual needs. The Group will continue to improve its sustainability strategies based on the feedback from stakeholders and incorporate more new measures into its daily business operations. In 2022, the Group collected a total of 559 valid responses to our questionnaires, with the most concerned issues related to “environmental protection”. The Group also reported and responded to them in this report.

As an enterprise that attaches great importance to social responsibility, Shenzhen International ranked 18th in the “Social Responsibility of Local State-owned Enterprises Pioneer 100 Index”, and was selected as a social responsibility case for state-owned enterprises. Under the guidance of the Social Responsibility Bureau of the State-owned Assets Supervision and Administration Commission of the State Council, the index reports on nearly a thousand local state-owned enterprises and assesses the overall social responsibility development level of local state-owned enterprises. The top ranked enterprises are enlisted into the “Pioneer 100 Index”. The Group earnestly fulfilled its social responsibilities and integrated the concept of sustainable development into its operations. Being selected in the index is also a recognition of the Group’s efforts and achievements in serving the society.

Employees are crucial to the Group’s success in promoting sustainable development. The Group strives to cultivate a people-oriented culture and is committed to promoting the concept of sustainability to all employees of the Group. At the same time, the Group advocates a diversified working environment and creates a people-oriented and flexible working environment. Through the talent development plan, the Group is determined to nurture employees and reserve manpower for its rapid development.

In the future, Shenzhen International will continue to seize sustainability opportunities, continue to build green infrastructure projects with low-carbon technologies and building materials, and consider accelerating the development of green projects in the form of green finance, so as to further expand the Group’s contribution to the sustainable development of the industry and the country in the fields of energy conservation and emission reduction. In the face of upcoming challenges, the Group will adhere to its sustainability philosophy, review and update relevant policies and measures according to the importance of each issue, and promote the concerted efforts of all departments to address any defects and deficiencies and make improvements.



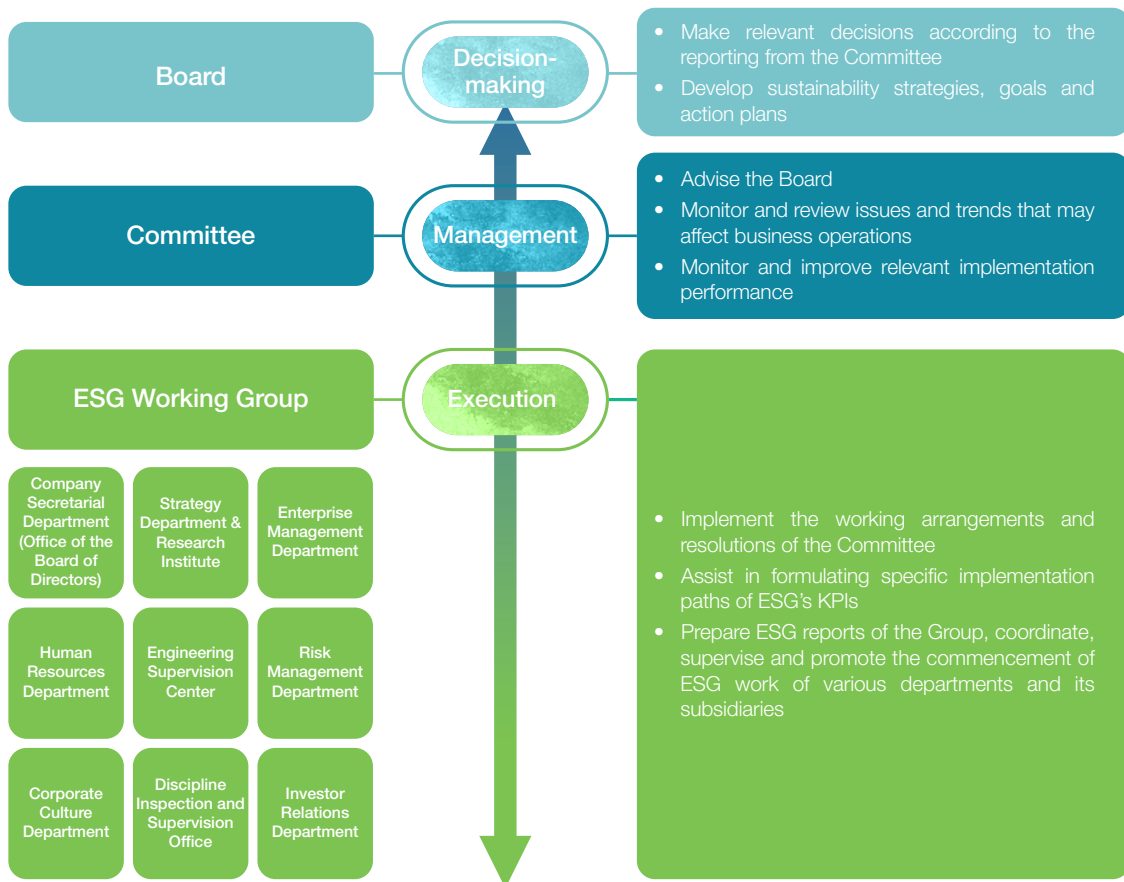
Approach to Sustainability

Shenzhen International adheres to the core spirit of “Logistics with Ethics, For a Better World”, which encompasses promoting the Group’s business philosophy of “Building Value, Sharing Future” based on its advantages in logistics support and services, and joining hands with various stakeholders to contribute extraordinary value to the 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 improving the overall environment, could the Group establish a stable value chain for stakeholders in the long run and maintain the Group’s competitiveness in the market.

SUSTAINABILITY CORPORATE GOVERNANCE FRAMEWORK

The Company’s board of directors (the “Board”) is the highest decision-making and management body of the Group. It is responsible for formulating and monitoring the overall responsibility of the Group’s sustainable development direction and strategy, and implementing and reviewing the work plan, budget and resource allocation related to sustainable development. In order to integrate sustainability elements into the Group’s governance structure more effectively, the Board is also responsible for overseeing the implementation of relevant sustainability strategies. In addition, the Group has established the Risk Management Department and the Safety Production Committee, which are responsible for the Group’s management, control and response to operational risks and safety risks, helping to reduce the Group’s operational risks and improve efficiency.

Planned sustainability governance can enhance long-term operational performance. The Board has established the Sustainability Committee (the “Committee”), the members of which play a managerial role in ESG management structure. The members of the Committee assists the Board in coordinating and supervising the implementation of the Group’s ESG work, and report such work to the Board for approval and review. The Committee consist of three members, including one executive director and two senior management members. The chairman of the Committee is the Company’s Chief Executive Officer. The Committee meets at least once a year to gradually improving the Group’s sustainability performance.



MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

The Group's risk management and internal control system consists of risk management positions of the Board, 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. When the Group faces an ESG issue, it mainly applies the mechanisms and procedures laid down in the Comprehensive Risk Management Regulations to resolve it. The procedures are as follows:



During the Year, the Group's Risk Management Department submitted relevant reports on internal control and risk management assessment to the Audit Committee in a timely manner, and convened meetings of the Risk Control Committee on a regular basis. The Group understands the importance of compliance operation and that any violation of laws and regulations will have a significant impact on the Group's business operations, results of operations, financial condition and reputation. In order to ensure effectiveness of the Group's compliance management system, the Risk Management Department introduced a three-year compliance management plan last year, namely "Working Plan for Building the Group's Compliance Management System". Through the establishment of the Group's compliance management working group and the formulation of the Compliance Management Regulations, full efforts are made to promote the construction of compliance management in key areas. Starting from 2022, all departments are required to complete the compliance management evaluation for the previous year at the beginning of each year, and formulate a compliance management improvement plan to achieve the Group's goal of comprehensive compliance management for all controlled enterprises within three years.

During the Year, the Group conducted sustainability and climate risk identification, and will continue to review and improve the effectiveness of relevant management procedures based on the review results. In addition to referring to the risk analysis results provided by the independent consultant, the Group also collected the internal stakeholders' views on the risks and opportunities brought by climate change to the Group through interviews during the Year.



Risks or opportunities	Description	Risk response and management measures
------------------------	-------------	---------------------------------------



Risks

- The report published by the Intergovernmental Panel on Climate Change of the United Nations in August 2021 clearly stated that global warming caused by human activities has led to more frequent and intense extreme weather around the world. Extreme weather such as hurricanes and floods may pose potential threats to the safety and stability of the Group’s terminal and port operations (e.g. physical damage to facilities).

Opportunities

- Additional national subsidies in the process of low-carbon transformation (e.g. construction of green ports with low-carbon technologies and building materials).
- The use of various low-carbon projects and technologies may increase additional financing channels for the Group (e.g. green bonds, carbon trading, etc.).



- The Group has started to formulate sustainability strategies, and building a low-carbon operation model is one of the strategic focuses. The Group actively identifies extreme and chronic physical risks and assesses the impact of such risks on its assets in detail to increase its ability to defend against climate change.
- The Group conducted in-depth research on market opportunities under the strategic background of “Carbon Peak” and “Carbon Neutrality”, actively explored innovative operation models, and created new growth breakthroughs.



- There are a number of identified potential safety hazards in logistics hubs and ports. Coupled with the rapid expansion of the Group, the number of projects has increased rapidly, and employees may not be aware of the importance of safe production. If a workplace accident occurs, it may result in an injury to an employee and in serious cases, permanent injury or even death.

- The Group must conduct pre-job qualification review and pre-job safety training courses and activities for employees before they start work, so that they can be familiar with the relevant company policies as soon as possible to ensure that they have the knowledge and ability in ensuring work safety.
- At the same time, social insurance and commercial insurance are taken out for all employees in accordance with applicable laws to ensure that employees who have unfortunately suffered work-related accidents are adequately covered by medical insurance.



Risks or opportunities	Description	Risk response and management measures
 <p>Brand and Reputation</p>	<ul style="list-style-type: none"> In recent years, some investors have increasingly inclined towards incorporating the target's corporate sustainability performance when considering their investment decisions. As a result, businesses with lower sustainability performance will become less attractive to such investors. 	<ul style="list-style-type: none"> The Group actively promotes and implements the sustainability work, and formulates the corporate sustainability strategy to respond to the crisis caused by extreme weather. To further promote the development of green finance, the Group actively issues green bonds for construction projects, such as green infrastructure projects built with low-carbon processes and construction materials, and vigorously promotes the application of clean energy, such as photovoltaic power generation, to establish an environmentally friendly brand image.
 <p>Network and Information Security</p>	<ul style="list-style-type: none"> With the changes in the era and the advancement of technology, digital transformation has become one of the important trends in the logistics industry. The amount of data generated per day is growing exponentially, and a number of sensitive data, including office information, financial information, and customer operating information, has been deeply entrenched in various business activities and processes through information technology, which calls for enhanced network and information security measures. 	<ul style="list-style-type: none"> The Group adopts a two-pronged approach in management and technology to enhance the responsiveness to cyber security or cyber-attack incidents through the purchase of network security equipment, the management of network security platforms and the deployment of network security guards. In recent years, the Group's Operating Sites have significantly increased the application of various smart systems or technologies. The systems deployed in smart parks are disconnected to the Internet until they pass the network security tests, so as to prevent the occurrence of network security incidents.

In response to climate risks, the Group is well aware of its far-reaching impact. In order to maintain stable business operation, the Group is planning to conduct comprehensive climate risk identification for each business segment, and to conduct in-depth analysis and formulate management directions on a systematic basis. As the first step, the Group has made reference to the research papers of the United Nations Conference on Trade and Development in 2020³ as a basis for analysing the impact of climate change on the future development of port operations, which are listed below:

Risks	Impact
Extreme sea level rise resulting in flooding in coastal areas	<ul style="list-style-type: none"> The risk of permanent inundation of facilities will increase, causing port operational disruptions, if no major upgrades are carried out (e.g. port heightening and coastal protection)
Strong rainfall	<ul style="list-style-type: none"> Inundation of and damages to port infrastructure Strong rainfall can cause a sharp increase in water levels and speeds, which in turn affects the vessels' maneuverability, for example, vessels may be hindered by failure to adapt to changes in water flow at port entrance points Strong rainfall may lead to increasing fogs, which in turn affects the visibility, navigation and berthing of vessels, resulting in vessels waiting outside the port, which may adversely affect the operations of the port
Increase in mean temperature and the frequency/duration of heat wave	<ul style="list-style-type: none"> Deterioration of paved areas requires more maintenance work to maintain operation The operation of cranes is restricted, resulting in longer periods for work completion Equipment and goods are vulnerable to damages and require additional time and cost to repair, resulting in increased costs Higher energy consumption for cooling, resulting in greater environmental impact Substantial health and safety challenges posted to personnel and passengers, requiring additional safety measures and training
Extreme winds and waves	<ul style="list-style-type: none"> Terminal and navigation equipment may be damaged and require maintenance or replacement, resulting in business shutdowns and additional costs Vessels may encounter problems arriving at the port, especially when the winds and waves are severe, resulting in challenges of the control and operation of vessels, which will adversely affect port operation The operation of cranes above certain wind speed will be restricted, which will affect the loading and unloading efficiency of ports

In general, climate change may lead to damages to port infrastructure and equipment, and even disruptions and delays in operations, resulting in financial losses. In addition, climate change may also pose impacts on the usage of ports and other facilities, insurance and maintenance costs and other aspects by affecting the overall transportation needs and costs of the society.







The Group will analyse the relevance of the above climate risks to its business and its tolerance, so as to build a foundation for developing climate resilience in the long term. At the same time, the Group will expand the climate risk identification and analysis to cover other business segments, and gradually establish a climate risk management process. In the future, the Group will comprehensively cover all businesses of the Group to effectively manage the impact of climate risks.

³ United Nations Conference on Trade and Development published *Climate Change Impacts and Adaptation for Coastal Transport Infrastructure: A Compilation of Policies and Practices in 2020*. Source: https://unctad.org/system/files/official-document/dt11b2019d1_en.pdf

FOCUS ISSUES AND CURRENT ACTIONS

The Group has identified a number of sustainability focus issues in 2021 and has taken various actions during the Year:

Annual focus issues and actions

Environment Related	 <p>Reduction of carbon emission</p>	<ul style="list-style-type: none"> All new projects are required to be based on the standard of national green building rankings, and clear requirements are set for the use ratio of MiC in the construction process. At the same time, we actively build new energy equipment (such as rooftop photovoltaic, electric vehicle charging piles, etc.) Set up the “Innovation Research Centre” to assist the Group in the reduction of carbon emission from both theoretical and policy aspects through research on national policies and cooperation with universities Set up a rooftop photovoltaic investment company dedicated to the research, modification and installation of photovoltaic power generation facilities on rooftop Conduct research on the inclusion of carbon emission reduction elements into the assessment criteria for the management teams at all levels
	 <p>Water resources</p>	<ul style="list-style-type: none"> Continuous development of rainwater collection and recycling system
Social and Governance Related	 <p>Employment and labour practices</p>	<ul style="list-style-type: none"> Increase compliance training for employees to enhance the overall compliance awareness of the Group Strictly supervise the employment and safety practices of construction units
	 <p>Anti-corruption</p>	<ul style="list-style-type: none"> Establish a clean operation culture of the Group, and enhance employees’ awareness and understanding of compliance and integrity through various activities, training and publicity channels, such as law learning months, compliance publicity days and integrity mini classes
	 <p>Data and information security</p>	<ul style="list-style-type: none"> Make every effort to develop digital transformation to solve the problem of information isolated islands of various business systems
	 <p>Crisis Management</p>	<ul style="list-style-type: none"> Risk Management Department carried out major risk management work plan <ul style="list-style-type: none"> Continue to establish the “1 + N” internal control system, and issued the “Detailed Rules for Internal Control Standardisation Management”, the “Material Risk Assessment Plan” and the “Implementation Opinions on Strengthening the Management Works of Material Contracts and Compliance” Continue to implement the “Six Ones” work plan for compliance management, including conducting compliance work evaluation Monitor the signing and performance of major contracts of subsidiaries through the “smart legal affairs system”, and conduct legal review of important systems and major projects of the Group

The Group understands that climate change will lead to frequent natural disasters and extreme climate events, as well as bring huge challenges and risks to all industries. Therefore, the Group expects to reduce carbon emissions and improve energy efficiency through the construction of rooftop photovoltaic to cope with the challenges of climate change. Taking advantage of the broad and flat rooftop area of the logistics parks, the Group actively deployed photovoltaic power generation and developed clean energy to meet the power demand of the logistics parks. In order to integrate photovoltaic power generation into the Group’s long-term development strategy, the Group has established a rooftop photovoltaic investment company, which is responsible for the research, transformation and installation of rooftop photovoltaic power, and actively explores the development of carbon assets to achieve diversified income such as carbon emission reduction, carbon trading and carbon finance. During the Year, the Group owned 2.1 million square meters of existing, under construction, and planned rooftop area, and is expected to be expanded to 3.8 million square meters in 2025, making positive contributions to environmental protection and sustainable development.

2022	2025 – End of “14th Five-Year” Plan Period
<ul style="list-style-type: none"> <li data-bbox="153 801 536 835">• 2.1 million square meters Rooftop area that are built, under construction and to be built <li data-bbox="153 969 288 1003">• 210MW Installed capacity of photovoltaic power generation system with largest roof area <li data-bbox="153 1137 264 1171">• 520 + New energy charging piles in operation in various logistics parks 	<ul style="list-style-type: none"> <li data-bbox="836 801 1219 835">• 3.8 million square meters Rooftop area that are expected to own <li data-bbox="836 969 971 1003">• 300MW Expected installed capacity of photovoltaic power generation system with largest roof area

In addition to photovoltaic power-related development plans, the Group has been conducting internal discussions and studies on long-term sustainable development goals. In order to balance the feasibility of achieving the goals and the effectiveness of sustainable development, the Group needs more complete data collection and more in-depth stakeholder engagement in order to produce the most suitable results for the Group’s development. Therefore, the Group will adopt a two-pronged approach which is continue to implement both short-term goals and action plans while promoting the establishment of long-term goals.

Communication with Stakeholders

The Group attaches importance to the balance between business development and sustainable development, and the participation of stakeholders is essential to achieving such balance. The feedback from stakeholders can help adjust the Group's ESG related policies and measures to respond to the expectations of stakeholders. The following table summarises the communication methods between the Group and different stakeholders:


Stakeholders	Ways of communication	Purpose
Internal stakeholders	<ul style="list-style-type: none"> • Survey of employee opinions • “Giving-good-advice activities” • Organise various exchange activities and trainings • Regular meetings and routine communication 	<ul style="list-style-type: none"> • The Group gathers employee opinions on business operation measures and encourage all employees to make suggestions for the development of the Group
External stakeholders	<ul style="list-style-type: none"> • Customers • Continuous exchanges, visits and communication • Meetings • Customer services and surveys 	<ul style="list-style-type: none"> • In-depth understanding of customer needs, feelings and expectations to continuously improve service quality
	<ul style="list-style-type: none"> • Suppliers • Regular field trips • Meetings • Communication related to agreements and contracts 	<ul style="list-style-type: none"> • In-depth understanding of the actual operation and needs of suppliers, and listen to their opinions and suggestions on improving the effectiveness of cooperation
	<ul style="list-style-type: none"> • Government • Participation in industry conferences organised by the government • Information submission • Exchange visits • Statistical report submission 	<ul style="list-style-type: none"> • Understand state policies and guidelines to ensure that operations comply with relevant laws and regulations, and provide experience reference and feedback to promote industry development
	<ul style="list-style-type: none"> • Community • Volunteer work • Community assistance and poverty alleviation 	<ul style="list-style-type: none"> • Contribute back to society by actions through providing community services

In order to gain an in-depth understanding of the Group’s internal stakeholders’ views on different aspects of sustainable development, the Group obtained a deep understanding of the views of the management and the executive through interviews with the help of an independent third party. Among the six focus issues of the Group, internal stakeholders believed that the most important issues to be prioritised were (1) how to attract and retain professional talents, (2) providing adequate training and development support for employees, and (3) the Group’s response to the dual carbon goals. Therefore, the Group believes that suitable talent allocation is the cornerstone of its long-term development, and will deploy more resources for talent allocation and capacity building in the future.

IDENTIFICATION OF MATERIAL SUSTAINABILITY ISSUES

The Group believes that maintaining good communication with stakeholders is an important foundation for business development. The opinions of stakeholders are collected during daily operations, which help to identify the basis for ESG issues and formulate a more comprehensive sustainability policy. Consistent with its practice in previous years, the Group continued to entrust a third-party independent consultant to conduct online surveys with stakeholders and analyse the results independently.

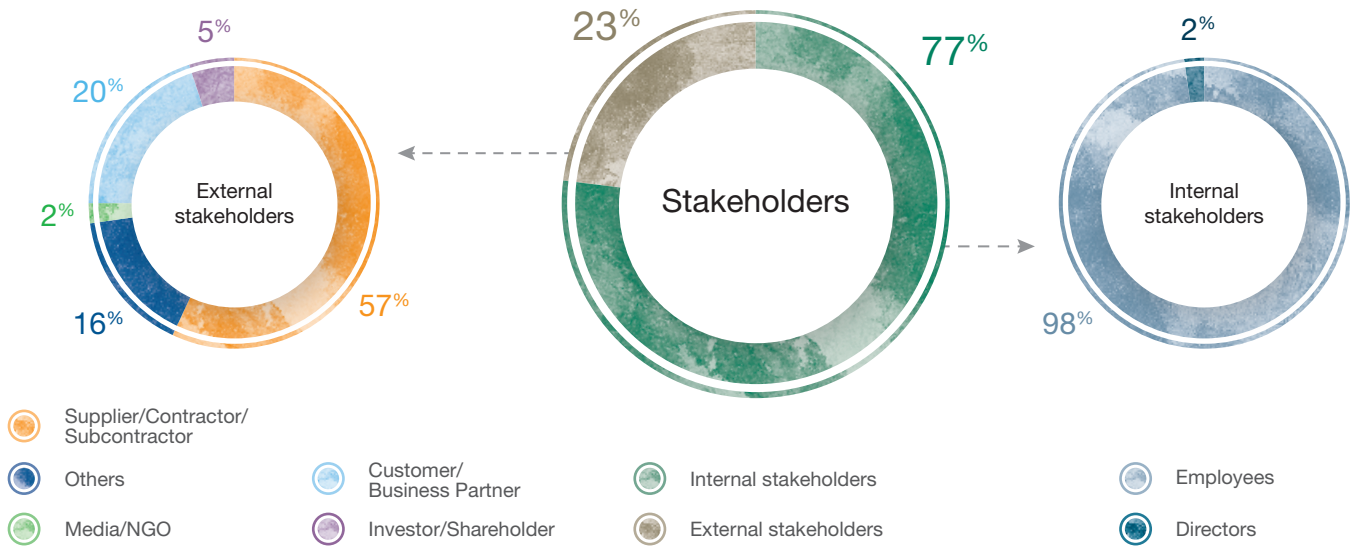
To gain a deeper understanding of the opinions of stakeholders on different matters, the consultant assisted the Group in integrating 27 ESG issues related to its business in accordance with the latest guidance requirements of the Stock Exchange, taking into account the sustainable development trend, national policies, industry characteristics and its own development strategy, covering five major aspects of “environmental protection”, “employment and labour practices”, “operating practices”, “community” and “others”. The details are as follows:



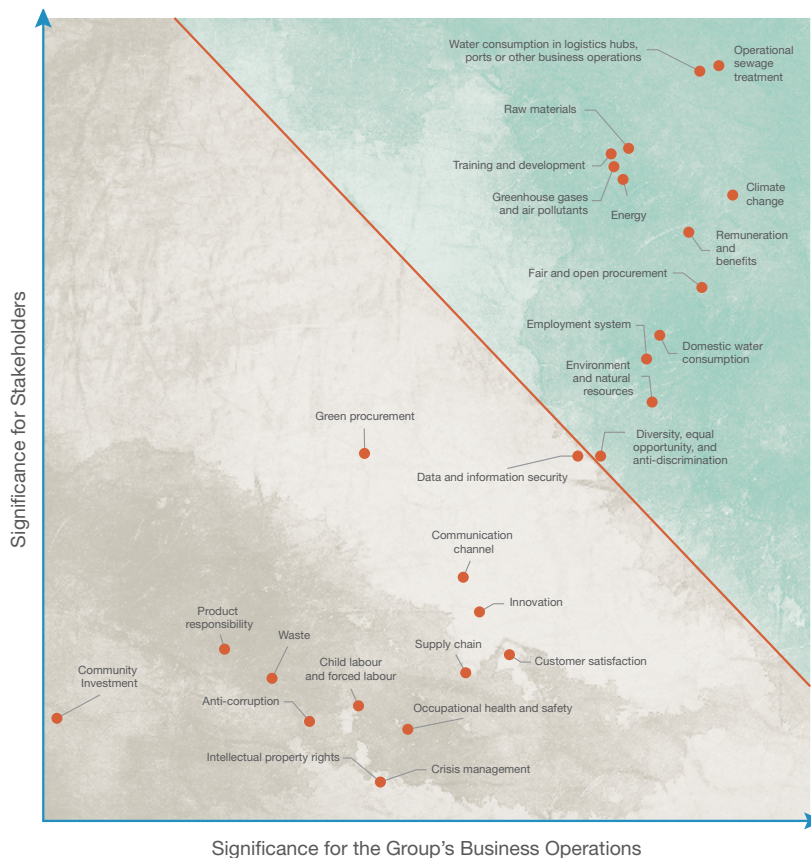
Environmental Protection	Employment and Labour Practices	Operating Practices	Community	Others
<ul style="list-style-type: none"> Greenhouse gases and air pollutants Waste Energy Domestic water consumption Water consumption in logistics hubs, ports or other business operations Operational sewage treatment Raw materials Environment and natural resources Climate change 	<ul style="list-style-type: none"> Employment system Remuneration and benefits Diversity, equal opportunity, and anti-discrimination Communication channel Occupational health and safety Training and development Child labour and forced labour 	<ul style="list-style-type: none"> Supply chain Green procurement Product responsibility Customer satisfaction Data and information security Intellectual property rights Anti-corruption Fair and open procurement 	<ul style="list-style-type: none"> Community Investment 	<ul style="list-style-type: none"> Innovation Crisis Management

Communication with Stakeholders

559 valid responses were received for this survey, of which about 77% were from internal stakeholders. The external stakeholders who responded to the survey included suppliers, contractors, media, investors, shareholders, customers, business partners, etc.



To broaden the scope of the materiality assessment so that it covers the concerns of internal and external stakeholders, the independent consultant grouped the data and selected issues that were concerned by internal and external stakeholders for analysis based on the average score.



The following table lists the 13 material issues identified from the 27 sustainability issues:

Material Issues (in order of importance)	
1	Operational sewage treatment: the sewage discharge, treatment and handling methods (including the disclosure of information about the quality of sewage and the substances in sewage) related to the operation of logistics hubs, ports or other business operations, and the formulation of minimum sewage discharge standards.
2	Water consumption in logistics hubs, ports or other business operations: including the effective use of water in logistics hubs, ports or other business operations, as well as the management, supervision and improvement of the implementation of relevant measures.
3	Climate change: includes identifying and managing significant climate-related issues (e.g. addressing extreme weather events and corresponding measures, more stringent compliance requirements and ever-changing customer behaviour).
4	Raw materials: including improving the efficiency of the use of raw materials in the production, packaging, transportation and sales processes (for example, using energy-saving and environmentally friendly design and recyclable construction materials).
5	Remuneration 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).
6	Training and development: including providing training for employees, improving their knowledge and skills for discharging duties at work, and providing opportunities for personal development based on their abilities to help them realize their self-worth.
7	Greenhouse gases and air pollutants: including the management and monitoring of air pollutants and greenhouse gas emissions (e.g. reducing greenhouse gas emissions from electricity consumption and maintaining vehicles regularly to ensure the efficient use of fuels).
8	Energy: including measures to improve energy efficiency (e.g. installation of rooftop photovoltaic equipment); install high-efficiency fluorescent lamps and select energy-saving equipment for logistics hubs, ports and offices.



Material Issues (in order of importance)

9

Fair and open procurement: including setting principles and ensuring that suppliers are open and fair.

10

Domestic water consumption: this includes monitoring and improving staff's domestic water performance and enhancing their water consumption efficiency (e.g. raising awareness of water conservation).

11

Employment system: Establishing systems to inform employees of employment arrangements (e.g. recruitment and promotion procedures, salary and dismissal system, working hours and holidays), ensure equality and non-existence of discrimination and sexual harassment in employment.

12

Environment and natural resources: this includes assessing the impact of operations on the environment and natural resources and formulating preventive and remedial measures.

13

Diversity, equal opportunity and anti-discrimination: Establishing systems to ensure equality and non-existence of discrimination and sexual harassment in employment.

Compared with last year, the number of material issues identified by the Group this year increased by 2, and the issues concerned by stakeholders are also more environmental-related, indicating that the interaction between the Group's business operations and environmental changes is becoming more important. Therefore, this report will focus more on environmental-related disclosures than before, and more cases will be shared to respond to stakeholders' concerns.

In response to the above material issues, the Group will also strive to improve relevant policies and measures in business operations, and undertake to fully consider the needs of stakeholders when making decisions. In the future, the Group will continue to maintain regular communication with stakeholders to promote the concept of sustainable development to them, and respond to them with practical actions.

ESG Performance of the Group

- Guangdong-Hong Kong-Macao Outstanding Contribution Enterprise Award



- Social Responsibility for Local State-owned Enterprises Pioneer 100 Index: ranked 18th



- LEED-CS Platinum certification from the US Green Building Council

Shenzhen International Yidu Building



- National first-class three-star green warehouse

A5 warehouse and A7 warehouse of SZI Logistics Hub (Shijiazhuang Zhengding)



- **Benchmark Case for the First National Innovation and Intelligent Practice for Transportation Enterprises in China**

The Group's intelligent park management platform – the Shenzhen International Qianhai Intelligent Platform



- **Excellent Cases for the First National Innovation and Intelligent Practice for Transportation Enterprises in China**

- Construction Project of Intelligent Park of Shenzhen International Logistics Hub
- Intelligent Construction of E-commerce Logistics Centre
- Intelligent Bucket Wheel Machine Remote Control System
- Service Project of Foreign Trade Digital Logistics Platform



- **“Sustainable Development Category – Silver Award” in Quam IR Awards 2021**

The Environmental, Social and Governance (ESG) Report 2021 of the Company



LEADER IN THE SUPPORT OF “DUAL CARBON” MISSION

In 2021, the State Council issued the “Opinions on Completing the Work of Carbon Peak and Carbon Neutrality in a Complete and Thorough Implementation of the New Development Concept” to put the dual carbon goals on the agenda and build a “1 + N” policy system, which is led by the dual carbon goals and carried out green and low-carbon transformation in various industries.

As the backbone of the logistics industry, Shenzhen International is committed to actively promoting the green transformation of its business and deploying low-carbon logistics parks with the goal of sustainable development. At the same time, the Group integrates the green concept into its design planning, development and construction, as well as operation management to reduce carbon emissions and improve efficiency throughout the whole life cycle, and promotes the low-carbon transformation of the industry with smart management. In order to enhance its competitiveness, the Group actively develops intelligent logistics and continues to optimise storage design to lead the Group’s value chain towards the goal of carbon neutrality.

Storage	<ul style="list-style-type: none"> • Planning and upgrading green and zero-carbon buildings • Green power generation: exploring opportunities in photovoltaic power • Use of smart robots to improve efficiency and achieve light-off operations • Building an environmental monitoring system and an energy monitoring and analysis system
Infrastructure	<ul style="list-style-type: none"> • Energy facilities: Construction of photovoltaic power generation and charging pile facilities • Digital transformation: 5G, AI, IoT, big data centre • Establishing information platform and energy management platform
Transportation inside the park	<ul style="list-style-type: none"> • Encourage tenants, customers and other users of the Logistics Hubs to use new energy vehicles • Promote and encourage the use of new energy vehicles inside the park and support the construction of related supporting facilities
Carbon Management Platform	<ul style="list-style-type: none"> • Promotion of monitoring, tracking and accounting of carbon emissions • Explore the feasibility of analyzing and evaluating carbon emissions
Use of Packaging	<ul style="list-style-type: none"> • Use of electronic leaflets • Eco-friendly or renewable packaging materials • Add recyclable labels in packaging • Use of recycled, green shared pallets and crates, etc.

- Green Design, Energy Conservation and Emission Reduction**

Shenzhen International attaches great importance to environmental protection and undertakes social responsibility with resolution. The Group’s self-built projects are all planned on the concept of green and energy conservation and meet the requirements of local governments. In the development planning stage, the Group is committed to optimising the architectural design and focusing on the planning of the building structure and the proportion of window against walls, which is conducive to the use of natural ventilation and natural lighting in summer and sufficient sunlight in winter to effectively save energy. In addition, the Group actively selects environmentally friendly materials, such as low-emissivity insulating glass made of thermal break aluminium alloy with low reflectivity to reduce light pollution; all sanitary wares are water-saving appliances with water efficiency grade of Level 2 to reduce the use of water resources.

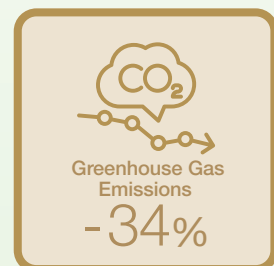
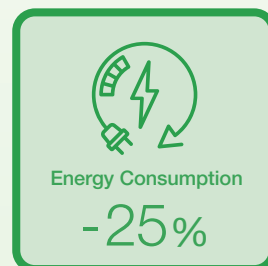
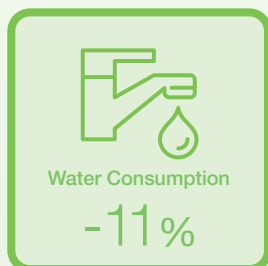
Case Study

1. Green Building Concept of Shenzhen Qianhai Yidu Building (“Yidu Building”)

In May 2022, Yidu Building successfully obtained the international LEED-CS Platinum Certification, which is the most widely used and influential green building and city evaluation in the world, of which the platinum level is the highest level. With a focus on sustainable development, the overall planning, construction and operation of water efficiency, energy and environment, materials and resources were implemented in Yidu Building. During the full life cycle of the building, it is expected that 335,200 kWh of electricity can be saved each year, which is equivalent to saving 133.98 metric tonnes of standard coal, reducing 333.94 metric tonnes of carbon dioxide, reducing 10.04 metric tonnes of sulphur dioxide, reducing 5.02 metric tonnes of nitrogen oxides and reducing 91.11 metric tonnes of dust.



The Group was awarded “Shenzhen Top 10 Brands of Real Estate Enterprises of the Year for Promoting Healthy Development of the Industry” at the “Shenzhen Media Group Greater Bay Area 10th Most Beautiful Habitat Annual Industry Gala”. At the same time, Shenzhen International Qianhai industrial-city complex – Yicheng Qiwanli, Qianhai Yinli and Yidu Building won “Bay Area Property of the Year Award”.



Case
Study

2. Green Design of SZI Intelligent Logistics Hub (Shenzhen Liguang) (“Shenzhen Liguang Project”)

We carried out construction in accordance with the two-star standard of green building design in Shenzhen Liguang Project, and adopted measures such as roof greening and rainwater collection and reuse system technology to contribute to the construction of sponge city. In addition, the integrated shading coefficient of the building exterior windows of Shenzhen Liguang Project was 10% lower than the standard requirement, and thermal insulation materials were installed on the exterior walls and building roofs in the east and west sides of the building to fully achieve the environmental goals of high green space rate and high green space rate in the logistics park.

Shenzhen Liguang Project fully utilised environmental-friendly decoration materials and set up an air-conditioning ventilation system to strengthen indoor ventilation and reduce the intake of indoor dust particles, so that the ammonia, formaldehyde, benzene and total volatile organic compounds are 10% lower than the current national standard value to protect the environment.



- **Green Operation with Photovoltaic**

Shenzhen International actively explores the low-carbon transformation of its business. The Group has a total of more than 4 million square meters of industrial park operation area and 1.73 million square meters of roof area in China, which has the natural advantages for the construction of distributed photovoltaic power stations. Therefore, the Group has established a photovoltaic energy investment and construction company to carry out planning of the business of rooftop photovoltaic power stations and actively promote the use of renewable green energy to replace traditional energy, and has been tried out in Hangzhou Project and is preparing for wide application.

At the same time, the Group promoted the use of its self-developed “smart park” operation management system in its parks across the country. By gradually building an intelligent management platform, the Group monitored the energy use, traffic and parking management status of each park in real time, and formed visualised data to achieve intelligent energy-saving management and operation.

Application of Renewable Green Energy by Using of Photovoltaic Resources

The large and flat roof of the Group’s logistics parks, together with the unobstructed environment and abundant light resources nearby, have become the natural advantage of the Group in introducing photovoltaic power generation. The green power generated by the roof-top photovoltaic power station in the park can satisfy various power demands such as lighting, automated sorting, automated packaging and automated selection in the warehouse of the park. It can also charge electric new energy vehicles through the pilot project of “vehicle + charging pile + photovoltaic” and promote the use of new energy commercial vehicles. Nocturnal energy storage equipment could release the electricity stored in the daytime during peak hours to reduce energy use. The Group actively studies the combination of photovoltaic power generation with cold storage, and makes use of the green energy to supply the energy required by cold chain, so as to achieve self-production and self-use, cost reduction and efficiency enhancement.

Case Study

1. SZI Logistics Hub (Hangzhou) Phase I Rooftop Photovoltaic Panel



In the early stage of construction, Hangzhou Project Phase I A actively promoted the integration of BIPV photovoltaic buildings. The project invested approximately RMB26 million to lay photovoltaic panels with an area of 37,620 square meters, achieving a roof photovoltaic coverage rate of 95%. Compared with the traditional roof, the reinforcement roof utilisation rate increased by 25%, the photovoltaic installed capacity reached 4.5MW, and the daily power generation capacity could be as high as 10,000 kWh.

Case Study

2. Green Energy Support System of Nanjing Xiba Port

As a four-star green port, in order to reduce air pollutants and carbon emissions during berthing, Nanjing Xiba Port actively built quayside power supply to promote the reduction of sewage and carbon emissions in the water transportation industry. Nanjing Xiba Port has fully covered the quayside power supply connection devices for terminal loading and unloading berths. Each berth is equipped with high-and-low-voltage on-shore power supply facilities, which can supply power to major on-board systems by using land power supply to replace the power generator on the ship. All qualified ships should be



connected to the best, so as to achieve safety, convenience, cleanliness and environmental protection. According to preliminary statistics, the high-voltage quayside power supply project of the port is expected to replace fuel consumption of approximately 2,475 metric tons per year, reducing carbon emissions of ships in the port by 550 metric tonnes.

In addition, part of areas in Nanjing Xiba Port are capable of installing additional solar panels to transform traditional lighting into photovoltaic power generation, which can be used for the basic power supply in areas such as vehicle shed charging piles and basketball court of the Company, which not only solves the power consumption of employees for commuting, but also effectively reduces energy consumption.

3. Green Freight Distribution Station of Shenzhen Kanghuai E-commerce Center

The Group actively promotes the construction of “green freight distribution stations”. As early as 2018, the Group has formulated the “Green Freight Distribution Demonstration Project Construction Plan”, and fully utilised local supporting policies to guide customers in the park to purchase new energy vehicles. At the same time, the Group introduced the DST Car Rental and CKUDZ to build new energy charging piles in the park, which not only ensured the charging of new energy vehicles in the park, but also contributed to energy conservation and emission reduction.

At present, the Shenzhen Kanghuai E-commerce Center has a total of approximately 300 new energy delivery vehicles and nearly 30 new energy charging piles built with supporting facilities. The charging piles serve more than 100 new energy vehicles daily.

• **Digital smart operation**

With the continuous advancement of technology, intelligent warehousing has become an important development direction to optimise the efficiency of warehousing and logistics. The Group has formulated and implemented the smart warehouse sub-strategy to provide customers with smart warehousing solutions, promote the upstream and downstream of the entire industry chain to a more intelligent, efficient and low-carbon future, and create more value for the sustainable development of the environment and society.

The Group has formulated a phased blueprint for the construction of intelligent parks to improve the efficiency of park management and governance:

Stage 1 2018-2019	<ul style="list-style-type: none"> • Define the construction blueprint, construction planning and construction functions of intelligent parks • Conduct data analysis and mining based on the then operational data to accurately identify the space for energy-saving transformation • Application of intelligent algorithm for precise emission reduction
Stage 2 2020-2021	<ul style="list-style-type: none"> • Build a smart cloud infrastructure platform • Online transformation for business processes such as asset management, customer service and park security guard • Obtain and accumulate operational big data to lay the foundation for reshaping the operation model of the park
Stage 3 2022-2023	<ul style="list-style-type: none"> • Construction of Shenzhen International Logistics Hub Intelligent Operation Centre • Application of IoT technology in public security, digital management, energy conservation control, supporting facilities management and other fields in the park to obtain the comprehensive operation of the park in real time and provide scientific decision-making basis for park management

Case Study

1. Promoting low-carbon operation with technological development

Shenzhen Kanghuai E-commerce Center deeply explored the brand customers of green, low-carbon, intelligent and efficient e-commerce, express delivery and logistics industries in the investment promotion and operation stage, and successfully introduced some well-known customers. In particular, after introduction, the customer built a four-in-five-out matrix transmission and distribution assembly line and AGV intelligent robot automatic sorting system, and established one of the most technologically advanced sorting hubs in South China, achieving a daily average distribution and delivery of 150,000 orders, with a maximum daily production capacity of approximately 400,000 orders, which is over 60% more efficient than manual work, and with almost no mistakes. After the customers moved in, the operation team of the park assisted it in planning the distribution centres and assembly lines, installed multiple sets of double-matrix cross-type automatic sorting assembly lines, and established a smart sorting centre of nearly 80,000 square meters, with a single-day distribution and delivery peak of 2 million pieces of couriers. The overall efficiency increased by approximately 1.5 times, and the comprehensive energy consumption decreased by approximately 30%, serving more than three million urban residents.

At the same time, through the development and application of a green and efficient smart park management system, the team achieved precise control over the park's automatic operation, energy consumption management, and the appointment of new energy charging posts, achieving energy conservation and emissions reduction and green and low-carbon operation of the park.

R&D AND APPLICATION OF INNOVATIVE TECHNOLOGY

President Xi Jinping said at the Global Development Summit that innovation is the primary driving force for development. In order to promote technological and institutional innovation, the Group attaches great importance to the R&D and application of innovative technologies, and we believe that in the ever-changing market environment, enterprises must actively explore and keep up with the times to maintain a leading position in the industry competition. Therefore, the Group has established rules and regulations related to innovation, with the intention to normalise innovation, encourage employees to innovate in business management and operation, and enhance the Group’s competitiveness.



Regulations	Purpose
Administrative Measures for Innovative Incentives	<ul style="list-style-type: none"> Rewarding projects that have achieved innovative results and generated significant economic and social benefits to encourage all units to innovate independently and enhance the core competitiveness of the Group
Administrative Measures for Innovative Support Funds	
Implementation Rules for Special Funds for Innovative Investment	
Several Opinions on Further Increasing Innovation Support	

The Group cooperated with the School of Economics and Management of Beijing Jiaotong University to establish a Logistics Innovation and Development Research Institute. In August 2022, the Group entered into a cooperation agreement with the Hong Kong Centre For Logistics Robotics to carry out research and development of basic technologies for the application of sensors, robots and artificial intelligence in the logistics park, so as to achieve the industrial implementation of relevant technologies in the smart logistics industry.

In addition, during the Year, the Group entered into a business cooperation framework agreement with the College of Information and Communication of Shenzhen College of Information Technology and Shenzhen Qianhai Hao De Internet Technology Co., Ltd. to jointly build a “Joint Engineering Laboratory for Digital Innovation Research and Application”, so as to create a digital industrial park demonstration application and industrial ecological environment, and jointly promote the industrial upgrading of the digital park.

Future Plan for the Innovation Works of the Development Centre
1. Actively promote the post-doctoral innovative practice base of the Development Centre
2. Research on the construction of “near zero carbon emission” in Shenzhen International Logistics Park
3. Research on unmanned trailer project with Shenzhen-China Railway as the application scenario
4. Research on the “Human-type Loading and Unloading Robot” project with the warehouse of the logistics segment as the application scenario
5. Make full use of the good software and hardware scientific research platform of the development centre to support the digital transformation of the Group

In order to stimulate the innovation vitality and enhance the core competitiveness of each unit, the Group sets up an innovation special fund with a total amount of not more than RMB50 million each year to encourage each unit to innovate independently, create an entrepreneurial atmosphere that encourages innovation and is tolerant to failure, and promote the development of green, low-carbon and sustainable development projects.

Case Study

1. Intelligent Management System of Shenzhen Kanghuai E-commerce Center

The Intelligent Park Connect system of Shenzhen Kanghuai E-commerce Center is based on network communication, digital technology, big data, etc., connecting all elements of safety management, operation management, and business management, forming a green and efficient intelligent park management system, which greatly reduces daily management costs.

In terms of smart power management, the smart power meters of Shenzhen Kanghuai E-commerce Center are connected to the smart park data platform, which realized the overall management of energy consumption in the center. Through the analysis of peak-valley energy consumption, the efficiency of resource utilisation and operating efficiency of the center were improved. In addition, through full coverage of smart meters and data interconnection, refined energy consumption management can be adjusted, seen and monitored at any time, effectively achieving low-carbon energy conservation in the center.

The smart management system of the center has obtained 24 software copyrights, including IBMS smart integrated platform service system, property security patrol with RFID reader area scanning, power data collection, bill inquiry and analysis system, energy consumption efficiency evaluation and analysis model, automatic safety management, etc., which effectively assisted the park in automatic operation, staggered distribution management and energy consumption efficiency management, and achieved the goals of energy conservation, emissions reduction and green and low carbon.

In view of the practical, exemplary and replicable nature of the smart management system of Shenzhen Kanghuai E-commerce Center, the project has been recognised and rewarded by the “Administrative Measures for Innovation Reward”.



The Group is committed to reducing the impact of its daily operations on the environment, and has set effective and feasible carbon reduction targets through continuous assessment and record of relevant data. During the Year, the Group significantly expanded the reporting boundary from a mere of 7 Operating Sites to a total of 29 Operating Sites covering the operation of the Group's logistics hubs in the Greater Bay Area, Zhejiang Region, Jiangsu and Anhui Region, Central China Region, Southwestern Region and Northern Region, ports and EDI Co. Therefore, the overall environmental data to be obtained such as emissions and energy consumption increased significantly during the Year. In addition, in order to better meet the needs of the Group's future development, the classification of environmental data has also been shifted to the two business segments of logistics hubs and ports.

GREENHOUSE GASES AND AIR POLLUTANTS

Laws and regulations

- Environmental Protection Law of the People's Republic of China
- Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution
- Law of the People's Republic of China on Prevention and Control of Water Pollution



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"> • Require the relevant departments of each Operating Site to regularly maintain the operating equipment to reduce waste gas generated from daily operations

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

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

- Erect NEV charging piles in logistics parks and increase the number of charging stations for electric motorcycles
- Strengthen the control of diesel vehicles that fall short of emissions standards and prohibit non-compliant vehicles from entering the park
- Require idling vehicles to switch off engines
- 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

Sustainability Performance

Inclusive with the Concept of Green

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 2022 are as follows:

Total greenhouse gas emissions and intensity in 2022

	Logistics Hubs		Port	Unit
	Greater Bay Area	Other regions of the PRC		
Scope 1 – Direct greenhouse gas emissions	6,347.96	960.31	1,146.44	tonne of CO ₂ e
Scope 2 – Energy indirect greenhouse gas emissions	20,865.13	37,254.69	9,437.82	tonne of CO ₂ e
Scope 3 – Other indirect greenhouse gas emissions	0.39	5.02	0.44	tonne of CO ₂ e
Total greenhouse gas emissions (Scopes 1, 2 and 3)	27,213.48	38,220.02	10,584.70	tonne of CO ₂ e
Greenhouse gas intensity (by area)	0.04	0.01	0.03	tonne of CO ₂ e/square meter

During the Year, the greenhouse gas intensity (in terms of area) of the Group was 0.02 tonnes of CO₂e/square meter, representing a decrease of 33.33% as compared to 2021, mainly due to the effective implementation of emissions reduction measures adopted by the Group. With respect to emissions sources, Scope 2 (i.e. energy indirect greenhouse gas emissions) accounted for 88.88% 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.

To further improve its performance in greenhouse gas emissions, the Group will closely examine the effectiveness of the various emissions 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 2022

	Logistics Hubs		Port	Unit
	Greater Bay Area	Other regions of the PRC		
Nitrogen oxides (NO _x)	13.86	1,961.37	3,731.53	kg
Sulphur oxides (SO _x)	0.93	86.28	4.71	kg
Respiratory suspended particles (RSP)	1.03	88.54	297.14	kg

The air pollutant emissions, nitrogen oxides, sulphur oxides and respiratory suspended particles emitted by the Group increased significantly during the Year as compared to 2021, mainly due to the Group's expanded reporting boundary during the Year from only 7 Operating Sites to 29 Operating Sites. Among them, the emissions of NO_x and RSP from the port have increased significantly in 2021, mainly due to the extensive project renovations carried out last year, including sewage treatment and unmanned system renovation, coupled with the fact that the vehicles belonging to the port are relatively old and the operational volume has increased, leading to a significant increase in diesel consumption. After the project renovations are completed, the Group believes that diesel consumption can be significantly reduced. In order to set and promote the long-term emissions reduction targets, the Group is actively improving the data collection method and conducting internal discussions to make further disclosure in due course in the future.

ENERGY



Policy	Purpose
Management of Energy Saving and Consumption Reduction	<ul style="list-style-type: none"> 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

Energy use and intensity in 2022

	Logistics Hubs		Port	Unit
	Greater Bay Area	Other regions of the PRC		
Petrol	31.71	184.57	68.34	MWh
Diesel	1.96	180.53	2,770.74	MWh
Liquefied petroleum gas	–	–	1913.08	MWh
Natural Gas	–	4,396.01	–	MWh
Electricity	35,912.44	63,519.04	16,244.10	MWh
Hot water	–	884.17	–	MWh
Total energy consumption	35,946.11	69,164.32	20,996.26	MWh
Energy intensity (by area)	0.06	0.02	0.05	MWh/square meter

With respect to energy consumption, the Group's Operating Sites consumed a total of 126,106.69 MWh of energy. The overall energy consumption intensity of 0.03 MWh per square meter was approximately 50% lower than last year, indicating that although energy consumption had increased significantly due to the expanded reporting scope, the energy saving measures taken by the Group were in fact effective. The consumption of direct energy (i.e. petrol, diesel and natural gas) accounted for 8% of the total energy consumption, while the consumption of indirect energy (i.e. electricity) accounted for 92% of the total energy consumption. Meanwhile, the usage of diesel and liquefied petroleum gas in the port is much higher than in 2021. This is mainly due to the extensive project renovations carried out in the port last year, coupled with the fact that the vehicles belonging to the port are relatively old, and the increase in operational volume has led to an abnormal increase in diesel consumption. After the completion of the project renovations, the Group believes that it will be able to significantly reduce the usage of diesel.

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

Sustainability Performance

Inclusive with the Concept of Green

ENVIRONMENT AND NATURAL RESOURCES

LAWS AND REGULATIONS

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



Policy	Purpose
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.

Considering the impact of logistics hubs and port 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 maximise savings of energy, water and materials and in so doing protect the environment and reduce pollution. In addition, the Group built 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 national standards.

WATER RESOURCES AND SEWAGE TREATMENT

LAWS AND REGULATIONS

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



Policy	Purpose
Water Pollution Prevention, Control and Management Measures	<ul style="list-style-type: none">• Through policy making, to ensure that the Group has carried out anaerobic, sedimentation and disinfection treatments in accordance with the relevant requirements before discharging waste water, so as to avoid relevant environmental problems caused by wastewater discharge.

The Group is committed to effective water resource management to prevent pollution of water sources. Through the use of multi-level sedimentation devices and wastewater reuse technology, the Group reduces wastewater generation while maintaining the efficiency and stability of the sewage treatment system. The Group will continue to be committed to environmental management, strictly monitor the quality of sewage treatment and the safety of aquatic ecological environment, reduce the loss of water resources and the risk of polluted groundwater, and invest more in urban environmental protection.

Water consumption and intensity in 2022

	Logistics Hubs		Port	Unit
	Greater Bay Area	Other regions of the PRC		
Total water consumption	504,098.00	1,021,816.55	38,552.00	cubic meter
Intensity (by area)	0.81	0.30	0.10	cubic meter/ square meter

The Group’s Operating Sites consumed 1,564,466.55 cubic meters of water this Year, representing a decrease of 32.10% in water intensity as compared to 2021. The Operating Sites mainly used tap water through the municipal water supply network and they encountered no difficulty when 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 arranging internal discussions. Further information will be disclosed in due course.

Case Study

1. The Shenzhen Liguang Project assists to build a sponge city

The Shenzhen Liguang Project has integrated the concept of environmental protection and energy conservation from the design stage and constructed in accordance with the two-star standard of green buildings. In accordance with the guidelines of “Special Guide to Sponge City Design”, “Special Guide to Green Building Specifications” and “Special Guide to Prefabricated Building Design”, the project has carried out special design for water-storing and waterlogging-preventing, energy conservation, environmental protection and land conservation, and set up basic rainwater ecological facility to reduce rainwater discharge on the site and ease the pressure of flood discharge on the urban rainwater pipe network. At the same time, the rainwater-based ecological facilities in the park combined with other urban water resources management facilities to achieve multi-goal environmental and ecological benefits and promote the construction of sponge cities.

Design of stormwater wetland, rainwater garden and water storage facility



Bioretention zone



Rainwater garden



Sunken green space

Design of pervious pavement



Pervious brick



Pervious asphalt

Sustainability Performance

Inclusive with the Concept of Green

CLIMATE CHANGE

LAWS AND REGULATIONS

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

The Group is concerned about the impact of climate change and understands that climate change can impact business operations, cities and the society as a whole. In order to ensure the stable operation of the Group, the Group has established and implemented the “Special Emergency Plan for Natural Disasters (Earthquakes)”, “Special Emergency Plan for Flood Prevention and Typhoon Prevention and “Emergency Plan for Cold Currents and Heavy Snow Weather”, so as to reduce the adverse impact of extreme weather caused by climate change on the Group. In case of any emergency, the Group will strictly follow the regulations to transfer and settle frontline workers. In addition, the Group continued to maintain the “24-hour principal-duty-performing” system to deal with abnormal weather and natural disasters through close monitoring of the operation.

Case Study

1. Typhoon and flood prevention work of Nanjing Xiba Port

In order to effectively respond to the risks brought by climate change, Nanjing Xiba Port conducted a total of 4 inspections on typhoon and flood prevention throughout the year, 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. In order to clarify the responsibilities of employees in various positions in emergency situations, a total of two emergency drills were conducted during the year with a total of 34 participants. At the same time, the ability of on-site personnel to operate large-scale equipment such as ship unloaders and ship loaders in emergencies was examined, and the ability of the cargo control room and on-site operation team personnel to coordinate operations was improved, so as to ensure the continuity of on-site emergency handling procedures and provide practical experience in dealing with typhoon and flood disasters.



Case Study

2. Application and embodiment of climate risk management in the logistics park business segment

The Group has preliminarily identified the climate risks of logistics parks and gradually established a management system for climate risks. The Group actively responds to climate risks to ensure smooth business operations and public safety, and undertakes corporate social responsibility. In order to better cope with the impact of climate risks on the operation, the Group has considered the impact of physical risks (e.g. extreme weather) and transition risks (e.g. carbon price fluctuation) on different business segments from different aspects. For example, logistics parks may be affected by heavy rainfall, resulting in issues such as road congestion and damages to logistics facilities. To this end, the Group has formulated various policies and measures in four areas, namely storage, infrastructure, transportation inside the park and packaging, to cope with the impact of climate risks.

Aspects	Content	Climate-related risk factors considered
Storage	<ul style="list-style-type: none"> Planning and upgrading of green buildings Renewable energy generation (photovoltaic power) Adoption of renewable energy equipment (electric forklifts, etc.) Establishment of environmental and energy consumption monitoring and analysis system 	<ul style="list-style-type: none"> Reduce energy consumption and carbon emissions through various measures (e.g. the use of photovoltaic energy), so as to reduce the Group's exposure to rising energy and carbon prices and related policy tightening in the long run, and to enhance its ability to cope with transition risks Through benchmarking against the requirements of green building, integrate various approaches of coping with extreme weather conditions into the design of various infrastructure and buildings (e.g. increasing the natural ventilation capacity of buildings to reduce indoor temperatures during extremely hot weather), so as to ensure that the logistics park has a certain level of climate risk resilience
Infrastructure	<ul style="list-style-type: none"> Zero carbon building Energy facilities (photovoltaic power and charging stations) Establishment of an energy management platform 	
Transportation inside the park	Encourage tenants, customers and other users of the Logistics Hubs to use new energy vehicles	
Packaging	Use recycled packaging materials as far as possible and encourage recycling to achieve waste reduction	



Sustainability Performance

Inclusive with the Concept of Green

WASTE

The Group strictly abides by the “Measures for the Management of Solid Waste Classification” and strengthens the management of waste, basically meeting a number of green management requirements such as waste recycling, recycling and waste classification management. The Group also requires employees to carry out waste classification in accordance with the requirements of the Regulations on the Classified Management of Household Waste in Shenzhen, and actively studies the possibility of waste recycling, such as degradable take-away boxes, to ensure that waste is effectively managed. In line with digital operation in the office, the Group strives to implement paperless office to reduce waste generation in various aspects. The Group hopes to promote the economic development of environmental value and make greater efforts to reduce waste by actively implementing the recycling of resources.

For the hazardous waste, the Group’s Operating Sites discharged 112.82 tonnes of hazardous waste this Year. Only SZ South China Logistics Park, SZ Shenzhen International Logistics Hub (Guizhou Longli) and Nanjing Xiba Port generated hazardous waste, which mainly included medical waste. For the non-hazardous waste, the Group’s Operating Sites discharged 16,507.77 tonnes non-hazardous waste this Year, a significant increase from 2021 due to the expansion of the reporting boundary during the Year.

Packaging materials

The Group’s Operating Sites followed resource utilisation policies that were in line with applicable national laws and regulations. In the future, 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. During the Year, among the Operating Sites of the Group, only South China Logistics Park used a total of 0.24 tonnes of stretch film as packaging materials.

The contribution and efforts of talents are the cornerstone of the Group's success. The Group treasures the value that employees create for the Group, and is committed to safeguarding the legitimate rights and interests, health and safety of employees, and providing high-quality benefits and equal opportunities. In order to ensure the rights of workers dispatched from other companies to the Group and temporary workers, the Group has entered into labour contracts at the direction of relevant companies and the Human Resources Department, assisted in handling industrial and commercial insurance, incorporated them into the Company's unified management, ensured their health, safety and welfare benefits at work, and actively assumed the responsibility of the Company to employees.

EMPLOYMENT SYSTEM

LAWS AND REGULATIONS

- Labour Law of the People's Republic of China
- Labour Contract Law of the People's Republic of China
- Regulation on Paid Annual Leave for Employees
- Law of the People's Republic of China on the Protection of Minors
- Law of Employment Promotion
- Provisions of the State Council on Employees' Working Hours
- Production Safety Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases



Regulations	Purpose
Employee Handbook Measures for the Management of Employee Discipline	<ul style="list-style-type: none"> • Clarify staff responsibilities, work requirements and rules to be followed in the workplace to promote harmonious labour relations, improve employees' rights and protection • Determine the rules and responsibilities that employees should abide by, regulate employee behaviour, enhance employees' sense of responsibility, and enhance corporate image
Measures for the Management of Employee Recruitment Measures for the Management of Labour Contracts	<ul style="list-style-type: none"> • Standardise the labour and personnel management system, and form an employment mechanism with equal competition, merit-based recruitment, clear rewards and punishments, and reasonable flow • Strictly comply with the recruitment process, carefully review the information of the interviewees, and conduct background checks to ensure the overall quality and competitiveness of the Group • Pay wages and benefits in full and on a regular basis, and implement relevant procedures for employee termination in accordance with relevant systems to ensure legal compliance
Measures for the Management of Position and Promotion	<ul style="list-style-type: none"> • Organise recruitment and interview according to the employment needs of various departments to select suitable talents • Organise employee performance appraisal on a regular basis, and use the results of performance appraisal as the basis for promotion decisions to motivate employees

The Group is fully aware that attracting and cultivating talents is the key to the Group's sustainable development, and is committed to ensuring the rights and interests of employees. In order to understand employees' rights and responsibilities, the Group has formulated clear and comprehensive rules and regulations to strengthen the management of labour relations and employees' rights and interests and enhance the development momentum of the Group.

To protect the rights of employees, the Group formed an employee representatives assembly to improve the democratic management of employees. In order to allow employees to express their opinions and suggestions, the Group regularly convenes the employee representatives congress and invites employees at all levels to participate. In addition, in order to ensure the full implementation of various employment regulations, the Group formed a disciplinary committee and a labour union to supervise employment practices. Discipline inspectors conducted random inspections to oversee the implementation of measures.

Sustainability Performance

Empower the People

DIVERSITY, EQUAL OPPORTUNITY AND ANTI-DISCRIMINATION



Policy	Objective
Employee Handbook	<ul style="list-style-type: none">Promote the corporate value of “Create Together, Share Values” and emphasise the concepts of equal opportunity, diversity and anti-discrimination to build a good working environment and respect every employee

As a harmonious and pleasant working environment can attract outstanding talents to join Shenzhen International, the Group respects the diversity of individual characters and background, upholds the concept of fair and equal human resources management, and establishes a team of outstanding talents. The Group follows a unified selection standard and provides equal opportunities for applicants or employees in respect of recruitment, promotion, training, dismissal and employment conditions. No discrimination on race, skin colour, nationality, religious belief and gender is allowed.

CHILD LABOUR AND FORCED LABOUR

LAWS AND REGULATIONS	
<ul style="list-style-type: none">Law of the People’s Republic of China on the Protection of Minors	<ul style="list-style-type: none">Labour Law of the People’s Republic of China



Policy	Objective
Measures for the Management of Employee Recruitment	<ul style="list-style-type: none">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 labour is used in the Group

The Group adheres to the concept of respecting human rights, resolutely eliminates the employment of child labour and forced labour, and strictly complies with national laws and regulations. At the same time, the Group has formulated internal policies and systems to avoid human rights violations. If cases of child labour or forced labour are found, the Group would stop the person from working immediately, handle the case in accordance with applicable national laws and regulations, and follow up on the cases according to relevant internal policies and procedures and report to local authorities if necessary, to protect their health and safety conditions.

The Group did not identify any cases of child labour or forced labour in its Operation Sites this Year.

SALARY AND BENEFITS

LAWS AND REGULATIONS

- Labour Law of the People's Republic of China
- Interim Regulations on Wage Payment
- Labour Contract Law of the People's Republic of China
- Regulations on the Spring Festival Holidays and Remembrance Days



Policy	Objective
Remuneration Management System	<ul style="list-style-type: none"> • Strictly implement relevant systems to pay remuneration and benefits, and specify working hours, holiday arrangements and labour relationship management to improve employees' satisfaction with the Group
Measures for Performance Assessment	
Measures for the Management of Labour Contracts	
Measures for the Management of Employee Leave and Overtime Working	

In order to reward employees for their contributions to the Group, Shenzhen International provides employees with competitive benefits and welfare. The human resources department of the Group is responsible for matters such as labour remuneration arrangements and human resources management. On the premise of compliance with laws and regulations, the Group has formulated a series of systems related to remuneration and performance appraisal to enhance employees' sense of belonging and satisfaction to the Group.

The Group's remuneration consists of monthly salary, year-end bonus, subsidies and 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 working overtime is necessary, the Group will ensure that overtime allowances are paid in full to compensate employees for their valuable efforts. In addition, remuneration is linked to employee performance. Employees who perform outstandingly will have salary increases as a reward. At the same time, the Group will also, in accordance with the market-oriented principle, compare the remuneration of employees with the remuneration level of peers in the external talent market, and adjust the remuneration of employees in a timely manner based on the Group's operating conditions and budget. In addition, the Group also provides examination leave and paid sick leave for eligible employees to protect their physical and mental health.

TRAINING AND DEVELOPMENT

LAWS AND REGULATIONS

- Vocational Education Law
- Law on Safe Production



Policy	Objective
Measures for the Management of Employee Training	<ul style="list-style-type: none"> • The Group provides training for its employees according to job requirements and employee ability to ensure it has the manpower necessary for further development
Measures for the Management of Two-Way Exchange Training of Talents	

Sustainability Performance

Empower the People

With the development of the Group, in addition to attracting external talents, the Group also attaches great importance to the cultivation and development of internal talents. In order to enhance the competitiveness and professional skills of employees, the Group actively implements talent training and development policies, and the human resources department assists different departments to formulate training plans to ensure that the training content is close to the needs of employees and their positions. In addition, the human resources department is also required to set training budgets, collect training materials, track the training results and establish training files to ensure that the resources required for training are all in line with the expected results. In addition, each department will analyse its training needs and formulate training plans according to the headquarters' training system, department responsibilities, job requirements and employees' career development direction. The human resources department will also assist them in evaluating the training results.

The Group runs the 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. In addition, for technicians at all levels, the Group has formulated an apprenticeship system, hoping that experienced employees can impart knowledge, and at the same time help new employees to get familiar with the working environment, improve the overall work, technical performance and sense of belonging to the Group.

Case Study

1. Cultivating corporate culture and enriching employees' lives

In order to enhance employees' sense of belonging and cohesion, the Group actively organises various recreational activities. In October 2022, the Group held a staff sports competition to improve the physical fitness of employees, so as to stimulate their enthusiasm for pioneering at work, show their vitality and promote the vigorous development of corporate culture-building activities. A total of approximately 200 employees participated in the staff sports competition, which demonstrated the spirit of unity and hard work through various competition activities.



2. Promoting online training to improve professional skills

We encourage employees to learn independently, and launched the online training platform “Academy of Shenzhen International” in 2021. The courses cover personal education, leadership series, industry courses, professional quality, professional trainings courses, etc., with a total of more than 4,600 courses. Employees can choose corresponding courses according to actual needs and experience customised training courses to improve the overall learning experience. In addition, online training helps employees improve their professional skills and knowledge, which helps improve their work performance.

OCCUPATIONAL HEALTH AND SAFETY

LAWS AND REGULATIONS

- 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
- Law on Safe Production

Policy	Objective
Safety, Health and Environmental Protection Management Regulations Occupational Health Management Policy Work Injury Insurance Management Policy	<ul style="list-style-type: none"> • 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
Measures for Safety Education and Training	<ul style="list-style-type: none"> • The Group raises its employees' safety awareness and ramps up safety training

Employees are important and valuable assets of the Group. As an enterprise that upholds the concept of sustainable development, the Group regards the health and safety of employees as a key area of focus under any circumstances and provides them with a high-quality, efficient, healthy and safe working environment to reduce the potential risk of injury at work. The Group strictly complies with the relevant laws and regulations, and requires each Operating Site to formulate an occupational health management plan according to its business nature, which sets out the rules and regulations such as the assessment of occupational hazards, repair and maintenance of occupational hazard protective equipment and regular safety inspection. In addition, in order to prevent occupational diseases, the Group regularly arranges occupational health check for employees to build the first line of defence for their health.

During the Year, the Group carried out special activities such as "Safety Production Month", "Fire Safety Month" and "Safety Production Law Publicity Week" to enhance the safety awareness of employees and relevant stakeholders, eliminate hidden dangers of accidents, and prevent and respond to emergencies. The major work of occupational health and safety for the Year is as follows:

Major Works	Actions Taken
1. Implementing the subject responsibility of production safety	<ul style="list-style-type: none"> • The management of the Group signs the Responsibility Statement on Production Safety Targets with all departments of the headquarters and all affiliated units
2. Optimisation of safety production management system	<ul style="list-style-type: none"> • Revised the Administrative Measures for Safety, Health and Environmental Protection Performance Assessment and the Administrative Measures for Security Risk Mortgage for Key Persons in Charge
3. Supervising the operation of the production safety management system	<ul style="list-style-type: none"> • Carried out third-party "unannounced inspections" • Precise deployment of key preventive measures
4. Promoting and optimising the safety production information system	<ul style="list-style-type: none"> • Optimised management model and simplified management procedures through a series of control measures such as "online safety training", "hidden danger rectification and follow-up entry" and "tracking of risk identification list"
5. Consolidating the foundation of safety management	<ul style="list-style-type: none"> • Held work safety meetings of the Group • Supervised hidden danger investigation and rectification

Case Study

1. Emergency drill for the Safety Production Month

During the Year, the Safety Production Month focused on the comprehensive fire emergency drills, aiming to improve the ability of emergency response and quick response, and expected to improve the ability of employees to deal with initial fires, escape and self-rescue. All units of the Group simulated the on-site escape conditions, simulated the use of dry powder fire extinguishers to put out the fire, and rescue the injured, so that employees can experience the fire scenario more intuitively and effectively improve the emergency response capabilities of relevant personnel. In addition, some of the Group's parks also carried out emergency drills such as electric shock and flood prevention to enhance employees' safety awareness and lay a solid foundation for safe production. During the production safety month, the relevant units carried out 32 emergency drills of various types, with a total of 1,349 participants.



2. Third-party unannounced inspection

In order to strengthen the supervision of the production safety system, the Group engaged a third-party consulting company to conduct four rounds of cyclical unannounced inspections of 120 units in 2022. Each unannounced inspection will assess the safety standardisation management system of each unit and understand the implementation of their daily safety management work. In addition, the third-party consulting company focused on checking the effectiveness of the fire protection system and equipment of each unit, conducted safety inspection of the elevator system, and tested the emergency response capabilities of employees. Through third-party unannounced inspections, the Group can identify potential safety hazards in a timely manner and propose rectification requirements to prevent the risk of accidents. In addition, through statistical analysis of the safety management of each unit, the Group can clarify the key points of risk management and control, help guide each unit to adjust the direction of safety management and control in a timely manner, and continuously improve the safety management system.

The corporate culture of compliance and integrity is conducive to efficient operation. Shenzhen International integrates social responsibility into its daily operation, establishes a sound and responsible management system, reduces potential risks, and improves governance efficiency to achieve long-term and stable development.

COMPLIANCE MANAGEMENT



Regulations	Purpose
Comprehensive Risk Management Regulations Material Risk Assessment Proposal Internal Control System Compliance Management Regulations Administrative Measures for Legal Affairs	<ul style="list-style-type: none">Enhance the Group's ability to prevent and mitigate major risks and promote the sustainable, healthy and stable development of the Group

The Group is committed to incorporating compliance management into business processes and emphasizing the management and control objectives of “strengthening internal control, preventing risks and promoting compliance”. To embed the philosophy of “Compliance creates value” and “Compliance is everyone’s responsibility” in daily operations, the Group’s Risk Management Department and Compliance Management Working Group are responsible for organising relevant lectures and training. In addition, the Group will regularly or occasionally conduct compliance management assessment and inspection, analyse the effectiveness of the compliance management system, timely investigate and punish violations, strengthen accountability for violations, fix any management loopholes, and continuously improve the performance of compliance management.

In order to improve the overall compliance management performance, the Group actively builds and cultivates legal and compliance talents. Outstanding internal lecturers are responsible for the special training activities in the “Legal Learning Month”. Through various lectures and trainings on legal compliance, the Group actively guides all employees to establish the value of legal compliance, law compliance and integrity, and consolidates the compliance culture of the Group, which is conducive to the steady and sustainable development of the Group. In addition, the Group improved and upgraded the “Smart Legal and Contract Management System”, and gradually established a smart and information-based compliance management platform such as laws and regulations database and risk database to improve the Group’s compliance management performance.

Sustainability Performance

Carry On with Integrity

ANTI-CORRUPTION

LAWS AND REGULATIONS

- Law of the People’s Republic of China on Anti-unfair Competition
- Anti-money Laundering Law of the People’s Republic of China

Regulations	Purpose
Whistleblowing Policy for Misconduct	• Establish a clear mechanism to improve supervision efficiency and comprehensively reduce the risk of corruption
Regulations on Confidentiality Management of Discipline Inspection and Supervision	• Timely and effective improvement of loopholes to prevent recurrence of similar problems
Anti-fraud Management Measures	• Provide a clear definition of conflicts of interest, standardise the specific situations and procedures for employees to voluntarily declare and avoid, and plug corruption loopholes
Guidelines for Prevention and Control of Risks in Relation to Integrity Practice	

The Group adheres to the concept of operation with integrity, promotes a clean business culture, and strictly prohibits all form of corruption. In order to reduce operational risks, the Supervisory Committee of the Group holds regular supervision meetings and carries out special inspections, business inspections or joint supervision and inspection in a timely manner to put forward effective prevention and rectification suggestions for problems identified. In addition, the Group has established a greater supervision mechanism of “discipline, finance, enterprise management, administration, auditing, risk management, and project supervision” to comprehensively and effectively supervise various operational details. In addition, the Group actively cultivated professional talents in financial supervision, and effectively established internal defence lines through external learning and internal training.

To prevent corruption, bribery, unfair competition and other violations of corporate norms, the Group has established a whistleblowing policy for misconduct. Employees of the Group can report any improper behaviours to the relevant departments anonymously. Upon receipt of the report, the Supervisory Committee or Audit Committee will, based on the nature of and circumstances surrounding the incident, take measures such as internal investigation, engagement of auditors, form an independent advisory group or transfer to local law enforcement agencies, and follow up the progress and results of the handling. 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.

All the Board members have attended the integrity and anti-corruption related training for more than 50 hours in aggregate.

Case Study

1. Heart-warming integrity education

The Group actively promotes the concept of integrity operation to its employees. During the disciplinary education and learning month of the year, the Group cultivated the integrity awareness of young cadres based on the actual development of the enterprise. Through convening the “Youth Talks on Integrity” and organising integrity oath activities for employees, the Group further consolidated the core values of Shenzhen International and ensured that the integrity culture is integrated into daily operations. In addition, the Group has learnt from the excellent traditional Chinese culture, and created a series of broadcast dramas, such as “Hui Lan Ji” (《灰蘭記》), “Bao Dai Zhi Xia Chen Zhou” (《包待制下陳州》) and “Bao Dai Zhi Zhi Zhuan He Tong Wen Zi” (《包待制智賺合同文字》), etc., to promote integrity and honesty. The Group’s broadcast drama series adheres to original script, self-recording, self-editing and self-packaging, and is well received by employees.



In addition, the Group gave full play to the role of new media and raised the attention of young employees to the Group’s information through multi-channel publicity to actively cultivate their awareness of integrity. For example, the Group held the “Show Our Happy Life, Create the Most Beautiful Family” Collection Competition for Good Family Works and carried out online popularity election. A total of more than 89,000 people participated in the voting and interaction, and the number of views on WeChat official account reached a record high of 101,414 times.

Sustainability Performance

Carry On with Integrity

SUPPLY CHAIN MANAGEMENT



Regulations	Purpose
Measures for the Management of Selecting Intermediary Agencies	<ul style="list-style-type: none"> Strictly select qualified suppliers to maintain the quality and stability of the supply chain
Management and Selection Method for the List of Intermediary Agencies	<ul style="list-style-type: none"> Add ESG elements to various requirements for suppliers, such as employee safety, waste gas emissions and solid waste emissions, to improve the overall sustainability performance of the supply chain
Management and Evaluation of Internal Control Systems	
Measures for Management of Bidding and Procurement	
Guidelines for the Supervision and Management of Bidding Safety Management System for Related Parties	<ul style="list-style-type: none"> To inspect the compliance process and contract of tendering process to ensure legal compliance
Property Management Manual	
Guidelines for Prevention and Control of Risks in Relation to Integrity Practice	<ul style="list-style-type: none"> Provide a clear definition for conflict of interest, standardize the specific situations and procedures for recusal to plug corruption loopholes

The Group’s business operations are closely related to the performance of suppliers. Shenzhen International strictly complies with relevant laws and regulations, and has formulated environmental and social performance requirements for suppliers to promote the overall sustainability performance of the supply chain. In accordance with the Management and Selection Method for the List of Intermediary Agencies, the Group regularly evaluates the services of intermediaries and updated the database. If any suppliers fail to fulfil the relevant requirement, the Group would ask them to improve or suspend the cooperation according to the policies and procedures established.

Environmental requirements for suppliers	Social requirements for suppliers
<ul style="list-style-type: none"> Appropriate and effective measures should be taken to reduce the emission of waste gas, waste water and solid waste generated during construction 	<ul style="list-style-type: none"> Provide on-site construction workers with labour protection equipment, such as dust-proof, noise-proof and harmful gas-proof equipment, to ensure personal and occupational safety Make reasonable arrangements for workers and their working hours, and ensure that overtime pay or compensatory leave are paid in full and on time Sign project safety, health and environmental protection (SHE) management agreement with suppliers, or include SHE management terms in the contract to clarify the rights and obligations of both parties Taking SHE track record and review and evaluation results as the basis for bidding, procurement and selection Engage third-party consultants to conduct regular or ad hoc inspections on the safety performance of suppliers at all sites on a regular basis to improve the safety production level of suppliers

PRODUCT RESPONSIBILITY

LAWS AND REGULATIONS

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



Regulations	Purpose
General Warehouse Business Contract 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	<ul style="list-style-type: none"> • Provide reference and requirements for safety services at each Operating Site to provide a safe working environment for tenants at each Operating Site and port users

In order to provide quality logistics hub and port services, the Group is committed to creating a safe operating environment. On top of the relevant laws and regulations, the Group has formulated targeted policies for different Operating Sites to provide efficient and high-quality services. The Group embedded the concept of social responsibility into its supply chain management, focused on issues such as sunshine purchase and green procurement, and improved suppliers' awareness of sustainable development and achieved joint responsibility through access review, release of common declarations and signature of contracts.

Businesses	Policy measures
Logistics Hub	<ul style="list-style-type: none"> • Regularly check the fire safety of warehouses and other supporting facilities to reduce the risk of fire; • Work with tenants in the logistics parks to ensure normal use of water, electricity and firefighting facilities; • Set 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

Sustainability Performance

Carry On with Integrity

CUSTOMER COMMUNICATION



Regulations	Purpose
Complaint Registration Form	<ul style="list-style-type: none">Provides a channel for customers to express their opinions and collects their opinions as a basis for improving business operations
Property Management Manual	<ul style="list-style-type: none">Provides employees with clear requirements for the quality of property management to ensure service quality
Program for Measuring Customer Satisfaction	<ul style="list-style-type: none">Enables employees to grasp the degree of customer satisfaction through established procedures and methods and formulates targeted improvement measures

Effective and prompt communication with customers can understand their actual needs and expectations, thereby improving customer satisfaction. In order to improve operational performance, some of the Group's Operating Sites have implemented the Program for Measuring Customer Satisfaction to further understand customers' opinions and responded to customers' needs.

If a customer has made a complaint, 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 handle the complaint, and inform the complainant of the investigation time required to ensure that the customer's complaint can be handled in a timely manner. 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.

DATA AND INFORMATION SECURITY



Regulations	Purpose
Information Security Management Measures of the Group	<ul style="list-style-type: none">Formulate various information processing procedures and set the authority therein to ensure the security of the Company's information and the security of the Group's network and information
Measures for the Management of Market Database	<ul style="list-style-type: none">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 Non-disclosure Agreement	<ul style="list-style-type: none">Signing confidentiality provisions to ensure that the Group's important information will not be leaked to the public to ensure information security
Management of Information Disclosure Model Code for Securities Transactions by Directors and Employees	<ul style="list-style-type: none">Regulate 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

Due to the business nature of the Group, it has a massive storage of business operation data, customer service data and market data. The Group attaches great importance to data and information security, and therefore has established 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. If employees need to send data externally, they must obtain approval from the department or the Company depending on the level of confidentiality, flow of information and reporting level. Only after obtaining approval and sealing can they provide data externally.

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, in order to improve operational efficiency and ensure network security, the Group shall carry out a comprehensive network security inspection before applying various smart systems or technologies at its Operating Sites to eliminate network security hazards.

INTELLECTUAL PROPERTY RIGHTS AND ADVERTISING AND MARKETING

To maintain investment in research and development, the Group will rigorously protect the core data about the research and development of equipment and product innovation and apply for patent protection. The Group's business scope does not cover product call back, 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.

Sustainability Performance

Growing with People

As a key force in society, the Group actively shoulders social responsibilities, and works with the community to carry out public welfare and charity activities. During the Year, the Group rooted at the very basic level of the society, continued to contribute the power of state-owned enterprises in the areas of town planning, infrastructure, medical and education for targeted support of rural revitalisation. In addition, the Group is committed to creating a harmonious culture and building a harmonious society through social welfare and volunteer activities.

SUPPORTING RURAL REVITALISATION

The Group shoulders social responsibility, undertakes rural revitalisation works with the sense of responsibility and mission, and continues to contribute to town planning, infrastructure, medical, education, among other aspects. The Group actively raised funds to promote the construction of projects for the benefit of the people, and actively contacted relevant units, caring enterprises and institutions to strive for financial assistance for local villages.

In 2022, the Group promoted a total of 9 projects, including education assistance, elderly assistance, medical care, people's livelihood and public services, with a total investment of RMB1.32 million, of which the Group donated RMB550,000. In addition, the Group actively sought for the rare quota of "Dongyuan County Rural Revitalization Demonstration Village" for Changmei Village and obtained supporting funds for rural revitalization of RMB5 million. At the same time, in order to solve the funding gap of the Jasmine rice drying plant project of Changmei Village Yumin Cooperative, the Group assisted in promoting financial work and successfully raised RMB3 million to effectively assist the Cooperative's operation.

In order to increase the collective income of villagers and revitalise the village-level resources, the Group actively promoted the transfer of land in Xinmin Village, solved the problem of barren cultivated land, and achieved the transfer of land of more than a thousand mu, increasing the income of RMB50,000 per year for the collective villagers in Xinmin Village. In addition, the Group promoted the circulation of 82-mu tea garden in Xianhu Mountain, increasing the annual income of RMB136,000 for the collective villagers of Xinmin Village, and effectively improving the life of rural residents.

Case Study

1. Innovating "Three Together" training to enrich talent cultivation methods

The Group organised more than 40 employees to carry out the "Three Together" (Eating together, living together and working together) training and public welfare activities for nearly two weeks among farmers in key poverty-stricken villages, so that employees and farmers can plant rice in the field, dry grains, participate in tea-making and environment improvement works. Through various forms of labour, employees can experience rural life, develop a good style of hard work and a sense of unity and cooperation, and further enrich the Group's measures to cultivate outstanding talents.



ENGAGE IN SOCIAL WELFARE

Education is the foundation of social development. With the continuous advancement of technology, computer knowledge has become an indispensable skill in the society. Due to geographical and financial constraints, students in remote mountainous areas have limited access to computer knowledge due to the lack of computer equipment. Therefore, the Group donated 124 computers to the Guangdong Education Foundation and provided a two-year warranty service. This helps rural schools in remote mountainous areas to provide computer courses, allowing rural children to learn computer knowledge and master the practical operation skills of computers, so as to motivate students to study hard and encourage rural children to go out of the mountain.

SUPPORT HONG KONG UNDER THE PANDEMIC

The Group gave full play to its own work, set up a centralised connection stations to ensure the safe and smooth operation of the “Life Line for Hong Kong”. The Group has established Shenzhen-Hong Kong cross-border transportation centralised connection stations in Longhua District, Longgang District, Bao’an District and Dapeng New District. The above four stations have a site area of more than 250,000 sq.m. and are connected to over 2,400 vehicles per day to ensure the smooth arrival of aid supplies to Hong Kong. The Shenzhen-Hong Kong cross-border transportation centralized connection stations are under closed-loop management for the entire process, which unifies disinfection, control and operation of cross-border vehicles and goods, thereby reducing the risk of virus at source and reduce the spread of the epidemic, and thereby consolidated the anti-epidemic prevention line.

Meanwhile, the Group and Sinotrans Limited jointly operated the Hong Kong aid train. The first freight train from China to aid Hong Kong arrived in Hong Kong on 2 March 2022 from Pinghunan National Logistics Hub.



APPENDIX I – OVERVIEW OF COMPLIANCE WITH LAWS AND REGULATIONS



Laws and Regulations		Compliance
A1 Emissions	<ul style="list-style-type: none"> 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, no violation of emission laws and regulations was identified.
A3 The Environment and Natural Resources	<ul style="list-style-type: none"> Environmental Protection Law of the People's Republic of China 	In the Year, no violation of environmental laws and regulations was identified.
A4 Climate Change	<ul style="list-style-type: none"> Environmental Protection Law of the People's Republic of China 	In the Year, no violation of climate change laws and regulations was identified.
B1 Employment	<ul style="list-style-type: none"> Labour Law of the People's Republic of China Labour 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 Provisions on Wages Payment Production Safety Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases 	In the Year, no violation of employment laws and regulations was identified.
B2 Health and Safety	<ul style="list-style-type: none"> 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, no violation of health and safety laws and regulations was identified.
B3 Development and Training	<ul style="list-style-type: none"> Vocational Education Law Law on Safe Production 	In the Year, no violation of development and training was identified.
B4 Labour Standards	<ul style="list-style-type: none"> Labour Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors 	In the Year, no violation of labour code laws and regulation was identified.
B6 Product Responsibility	<ul style="list-style-type: none"> Law of the People's Republic of China on Product Quality 	In the Year, no violation of product liability laws and regulation was identified.
B7 Anti-corruption	<ul style="list-style-type: none"> 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 II – OVERVIEW OF KEY PERFORMANCE INDICATORS AND REPORT CONTENT INDEX

Environmental key performance indicators

Environmental key performance indicators	2022 ⁴	2021 ⁵	2020 ⁶	Unit
Aspect A1: Emissions				
A1.1 Types of emissions and respective emission data				
Nitrogen oxides	5,706.76	945	6,012	kg
Sulphur oxides	91.92	42	124	kg
Respiratory suspended particles	386.71	18	168,599	kg
A1.2 Total greenhouse gas emissions and intensity				
Scope 1 – Direct greenhouse gas emissions	8,454.71	1,666	1,744	tonne of CO ₂ e
Scope 2 – Energy indirect greenhouse gas emissions	67,557.64	38,499	25,418	tonne of CO ₂ e
Scope 3 – Other indirect greenhouse gas emissions	5.85	20	25	tonne of CO ₂ e
Total greenhouse gas emissions (Scopes 1, 2 and 3)	76,018.20	40,186	27,187	tonne of CO ₂ e
Greenhouse gas intensity (by area)	0.02	0.030	0.026	tonne of CO ₂ e/ square meter
A1.3 Total hazardous waste produced				
Total amount of hazardous waste produced	112.82	3.80 ⁷	3.89	tonnes
Hazardous waste intensity (by area)	25.72	9.5	17.7	tonnes/1,000 square meter
A1.4 Total non-hazardous waste produced and intensity				
Total amount of non-hazardous waste produced	16,507.77	1,880 ⁸	5,871	tonnes
Non-hazardous waste intensity (by area)	3.76	1.80	5.11	tonnes/1,000 square meter

⁴ For the reporting scope, please refer to the Report Boundary

⁵ The reporting boundary consists of South China Logistics Park, Nanjing Xiba Port, Shandong Booming Total Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub, Guizhou Integrated Logistics Hub and Wuxi Huishan Integrated Logistic Hub

⁶ The reporting boundary consists of South China Logistics Park, Nanjing Xiba Port, Shandong Booming Total Logistics Park, Wuhan Dongxihu Integrated Logistics Hub, Shenyang Integrated Logistics Hub, Nanchang Integrated Logistics Hub and Guizhou Integrated Logistic Hub

⁷ In 2021, only Nanjing Xiba Port generated hazardous waste

⁸ In 2021, non-hazardous waste was only generated from Nanjing Xiba Port, Wuhan Dongxihu Integrated Logistics Hub, Guizhou Longli Integrated Logistics Hub and Wuxi Huishan Integrated Logistics Hub

Appendices

Environmental key performance indicators	2022 ⁴	2021 ⁵	2020 ⁶	Unit
Aspect A2: Use of Resources				
A2.1 Total energy consumption				
Direct Energy	9,546.94	7,708	6,851	MWh
Indirect Energy	116,559.74	65,934	41,662 ⁹	MWh
Total energy consumption	126,106.69	73,642	48,513	MWh
Energy intensity (by area)	0.03	0.06	0.047	MWh/square meter
A2.2 Total water consumption				
Total water consumption	1,564,466.55	700,566	718,253	cubic meter
Water consumption intensity (by area)	0.36	0.53	0.63	cubic meter/ square meter
A2.5 Total amount of packaging materials used and intensity				
Total amount of packaging materials used	0.24 ¹⁰	0.32 ¹¹	0.36 ¹²	tonne
Intensity of packing materials used (by area)	0.05	0.49	1.12	tonne/1,000 square meter

⁹ Electricity consumption of South China Logistic Park in 2020 only includes electricity consumption of offices

¹⁰ Use of packaging materials at SZ South China Logistics Park only in 2022

¹¹ Only South China Logistic Park used packaging materials in 2020, while only Shenyang Integrated Logistics Hub and Wuxi Huishan Integrated Logistics Hub used packaging materials in 2021

¹² Only South China Logistic Park used packaging materials in 2020, while only Shenyang Integrated Logistics Hub and Wuxi Huishan Integrated Logistics Hub used packaging materials in 2021

SOCIAL KEY PERFORMANCE INDICATORS¹³

Employee Profile		Logistics Hubs		Port
		Greater Bay Area	Other regions of the PRC	
Employee Data of the Group¹⁴				
Total number		67	70	223
Gender	Male	34	56	182
	Female	33	14	41
Rank	Senior management	2	3	4
	Middle management	3	1	12
	General staff	62	66	207
Age	30 or below	10	17	28
	31 to 40	26	42	88
	41 to 50	22	7	47
	Over 50	9	4	60
Resigned employees (number/ratio)				
Total number		5 (7.46%)	6 (8.57%)	15 (6.73%)
Gender	Male	4 (11.76%)	5 (8.93%)	13 (7.14%)
	Female	1 (3.03%)	1 (7.14%)	2 (4.88%)
Rank	Senior management	1 (50.00%)	0	0
	Middle management	2 (66.67%)	1 (100%)	0
	General staff	2 (3.23%)	5 (7.58%)	15 (7.25%)
Age	30 or below	1 (10.00%)	0	6 (21.43%)
	31 to 40	0	5 (11.90%)	6 (6.82%)
	41 to 50	0	1 (14.29%)	0
	Over 50	4 (44.44%)	0	3 (5.00%)

¹³ The Employee Data disclosed here covers the employees in the Operating Sites.

¹⁴ All employees of the Group are full-time and are all from China.



Employee Profile		Logistics Hubs		
		Greater Bay Area	Other regions of the PRC	Port
New employees				
Total number		1 (1.49%)	9 (12.86%)	10 (4.48%)
Gender	Male	0	8 (14.29%)	7 (3.85%)
	Female	1 (3.03%)	1 (7.14%)	3 (7.32%)
Rank	Senior management	0	0	1 (25.00%)
	Middle management	0	0	0
	General staff	1 (1.61%)	9 (13.64%)	9 (4.35%)
Age	30 or below	1 (10.00%)	2 (11.76%)	4 (14.29%)
	31 to 40	0	7 (16.67%)	5 (5.68%)
	41 to 50	0	0	1 (2.13%)
	Over 50	0	0	0
Employee data of other workers¹⁵				
Total number			2,070	160
Gender	Male		1,643	160
	Female		427	0
Rank	Senior management		55	0
	Middle management		159	0
	General staff	No other workers	1,856	160
Age	30 or below		605	7
	31 to 40		740	19
	41 to 50		541	37
	Over 50		184	97

¹⁵ Other workers are employed by contractors on a full-time basis and are all from China.



Employee Profile		Logistics Hubs		Port
		Greater Bay Area	Other regions of the PRC	
Resigned employees (number/ratio)				
Total number			196 (9.47%)	0
Gender	Male		144 (8.76%)	0
	Female		52 (12.18%)	0
Rank	Senior management	No other workers	4 (7.27%)	0
	Middle management		7 (4.40%)	0
	General staff		185 (9.97%)	0
Age	30 or below		59 (9.75%)	0
	31 to 40		45 (6.08%)	0
	41 to 50		46 (8.50%)	0
	Over 50		46 (25.00%)	0
New employees				
Total number			221 (10.68%)	0
Gender	Male		167 (10.16%)	0
	Female		54 (12.65%)	0
Rank	Senior management	No other workers	4 (7.27%)	0
	Middle management		9 (5.66%)	0
	General staff		208 (11.21%)	0
Age	30 or below		39 (6.45%)	0
	31 to 40		50 (6.76%)	0
	41 to 50		72 (13.31%)	0
	Over 50		60 (32.61%)	0

Employee Profile	Logistics Hubs			
	Greater Bay Area	Other regions of the PRC	Port	
Other workers				
Total number	193	712	12	
Plumber and electrician	3	36	0	
Greening worker	2	29	0	
Security	146	403	12	
Cleaning	36	132	0	
Engineering	0	70	0	
Clerk	0	21	0	
Manager	6	21	0	
Occupational Safety and Health				
Number of work-related fatality and percentage	0	0	0	
Number of work-related injuries and percentage	0	0	0	
Working days lost due to work-related injury	0	0	0	
Employee training data of the Group¹⁶				
Total number of trained employees	67 (100%)	75 (100%)	223 (100%)	
Gender	Male	34 (100%)	60 (100%)	182 (100%)
	Female	33 (100%)	15 (100%)	41 (100%)
Rank	Senior management	2 (100%)	3 (100%)	4 (100%)
	Middle management	3 (100%)	2 (100%)	12 (100%)
	General staff	62 (100%)	70 (100%)	207 (100%)
Average training hours	2.96	31.67	24.86	
Gender	Male	3.18	29.70	24.59
	Female	2.73	39.57	26.05
Rank	Senior management	10.00	37.33	36.00
	Middle management	10.00	191.00	36.00
	General staff	2.39	29.00	24.00

¹⁶ The Group's employee training data for logistics hubs in other regions of the PRC includes resigned employees.



Employee Profile		Logistics Hubs		Port
		Greater Bay Area	Other regions of the PRC	
Training data of other workers¹⁷				
Total number of trained workers ¹⁸			2,058 (99.42%)	0
Gender	Male		1,669 (100%)	0
	Female	No other workers	389 (91.10%)	0
Employment type	Full-time		2,058 (99.42%)	0
	Part-time		0	0
Total training hours				
Gender	Male		10.94	0
	Female	No other workers	10.81	0
Employment type	Full-time		10.92	0
	Part-time		0	0
Anti-corruption training				
Number of hours of anti-corruption training		8	133.67	20

¹⁷ Other employee training data for logistics hubs in other regions of the PRC includes resigned employees.

¹⁸ The training of other employees employed at the port is undertaken by contractors.

Appendices



Supplier Data	
Region	
Guangdong Province	5
Shandong Province	0
Hubei Province	0
Liaoning Province	21
Tianjin	0
Jiangxi Province	0
Jiangsu Province	13
Shanghai	5
Hebei Province	0
Jilin Province	0
Zhejiang Province	0
Beijing	1
Fujian Province	0
Henan Province	1
Guizhou Province	0
Anhui Province	1
Type	
Hardware	42
Software	0
Maintenance	5
Total number of suppliers	47

THE STOCK EXCHANGE'S ESG REPORTING GUIDE CONTENT INDEX

Main Areas	Contents	Page Index/ Remarks
Governance Structure	(i) a disclosure of the board's oversight of ESG issues;	6-10
	(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	14-18
	(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	8-11
Reporting Principles	Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	5
	Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	5
	Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	5
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	4

“Comply or explain” Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	12, 29-30, 36, 52
A1.1	The types of emissions and respective emissions data.	29-30, 36, 53
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	30, 53
A1.3	Total hazardous waste produced and, where appropriate, intensity.	36, 53
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	36, 53
A1.5	Description of emission target (s) set and steps taken to achieve them.	29-30, 36
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	36
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	31-33
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	31, 54
A2.2	Water consumption in total and intensity.	33, 54
A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	32-33
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them.	32-33
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	36, 54
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	32, 52
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	32
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	34-35, 52
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	11, 34-35

Main Areas	Contents	Page Index/ Remarks
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	37-39, 52
B1.1	Total workforce by gender, employment type, age group, and geographical region.	55
B1.2	Employee turnover rate by gender, age group and geographical region.	55, 57
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	41, 52
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	58
B2.2	Lost days due to work injury.	58
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	41
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	39-40, 52
B3.1	The percentage of employees trained by gender and employee category.	58-59
B3.2	The average training hours completed per employee by gender and employee category.	58-59
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	38, 52
B4.1	Description of measures to review employment practises to avoid child and forced labour.	38
B4.2	Description of steps taken to eliminate such practises when discovered.	38



Main Areas	Contents	Page Index/ Remarks
B. Social		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	46
B5.1	Number of suppliers by geographical region.	60
B5.2	Description of practises relating to engaging suppliers, number of suppliers where the practises are being implemented, how they are implemented and monitored.	46
B5.3	Description of practises used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	46
B5.4	Description of practises used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	46
Aspect B6: Product Responsibility		
General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	47-49, 52
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group does not involve product recall.
B6.2	Number of products and service related complaints received and how they are dealt with.	48
B6.3	Description of practises relating to observing and protecting intellectual property rights.	49
B6.4	Description of quality assurance process and recall procedures.	The Group does not involve product recall.
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	48-49
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	44, 52
B7.1	Number of concluded legal cases regarding corrupt practises brought against the issuer or its employees during the reporting period and the outcomes of the cases.	The Group does not involve any legal cases regarding corrupt practices.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	44
B7.3	Description of anti-corruption training provided to directors and staff.	59
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	50-51
B8.1	Focus areas of contribution.	50-51
B8.2	Resources contributed to the focus area.	50-51



Shenzhen International
深 國 際

Shenzhen International Holdings Limited
深 圳 國 際 控 股 有 限 公 司