



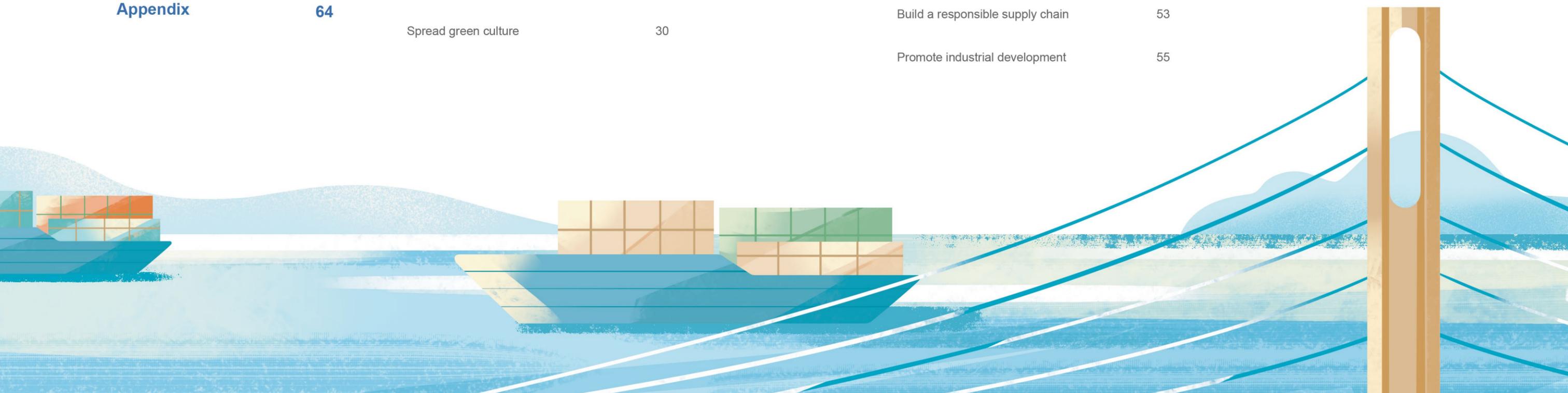
Environmental, Social and Governance Report

2022



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Introduction to Report

Report scope

This is the sixth environmental, social and governance (ESG) report of Changan Minsheng APLL Logistics Co., Ltd. (stock code: 01292HK) ("the Company"), covering the period from January 1, 2022 to December 31, 2022. Based on the continuity and comparability of the report content, some statements and data should be appropriately traced or extended.

Preparation basis

The report has been prepared mainly with reference to the Appendix 27: Environmental, Social and Governance Reporting Guide (the "ESG Guide") under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited published by the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and on the basis of principle of materiality, quantification, balance, and consistency.

Importance: The process of stakeholder communication and substantive issue identification and the list of substantive issues are disclosed in this report.

Quantification: The statistical criteria, methods, assumptions and/or calculation tools used to quantify key performance indicators in this report, as well as the sources of conversion factors, are explained in the explanatory notes of this report.

Balance: This report presents the performance of the Company during the reporting period in an impartial manner to avoid choices, omissions or presentation formats that may improperly affect the decision or judgment of the report readers.

Consistency: Unless otherwise specified, the statistical methods and caliber used for the data disclosed in this report are consistent with those used in previous years.

Scope of report

Unless otherwise specified, the coverage of policy documents, statements and data in this report should be consistent with the Company's annual financial report.

Addressing and representation

For the convenience of expression and reading, "the Company", "we" and "CMAL" in this report refer to "Changan Minsheng APLL Logistics Co., Ltd."

Content scope

This report covers the important issues and performance of the Company in environmental, social and governance during the reporting period.

Description of report data

The data and cases in this report are mainly from the Company's statistical reports and relevant documents. The Company is committed to the truthfulness, accuracy and completeness of the Report and undertakes that there are no false records or misrepresentations in the report.

Access and Feedback on the Report

This is an independent report. The soft copy of this report is accessible on the Stock Exchange's HKExNews website (www.hkexnews.hk) and the Company's official website (www.camsl.com).



Statement by Directors

The Board of Directors is fully responsible for ESG supervision and management, and is ultimately responsible for ESG, mainly including formulation of the Company's ESG strategies and regular review of their implementation; identification and evaluation of ESG risks and development of response plans; review of ESG management policies to ensure their continuous implementation, of ESG plans and objectives, of the achievement of ESG objectives, and of ESG performance. The Board of Directors authorizes the ESG management working group to be responsible for coordinating, implementing, and executing related work.

Based on national planning, stakeholders' expectations and the Company's development strategy, the Board of Directors will continue to pay attention to sustainable development trends at home and abroad, strengthen the determination of substantive ESG issues, discuss and determine the Company's ESG risks and opportunities, and prioritize the management and improvement of key issues for sustainable development.

The Company has prepared this annual ESG report in strict compliance with the disclosure requirements of ESG Guide. This report is issued after being reviewed and approved by the Board of Directors.

ABOUT US

Corporate profile

Changan Minsheng APLL Logistics Co., Ltd. is a professional intelligent logistics and supply chain platform service provider. Founded in August 2001, the Company is an automobile logistics enterprise listed in Hong Kong (stock code: HK.01292), with a registered capital of RMB 162 million. Its main shareholders are China Changan Automobile Group, Minsheng industrial (Group) Co., Ltd. and Singapore APL Logistics Ltd.

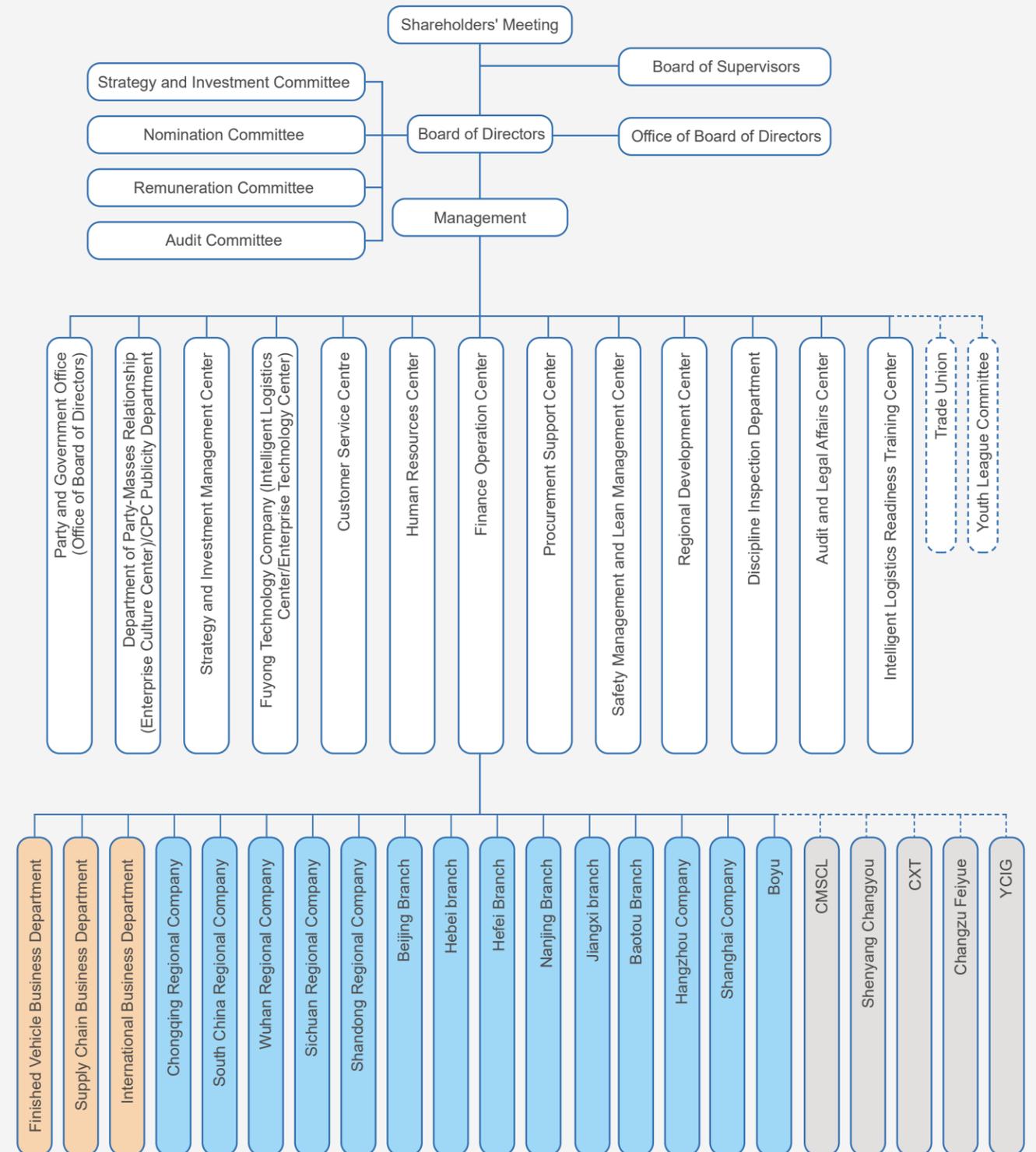
After 22 years of development, the Company has grown into a leading intelligent logistics platform service provider in China's automobile logistics industry and a large scale intelligent logistics platform provider in western China. It is a national key Sino-foreign joint venture logistics enterprise, a foreign-invested pilot logistics enterprise, a national 5A comprehensive service logistics enterprise, a national advanced logistics enterprise, one of the top 50 enterprises in Chongqing's service industry, a civilized unit in Chongqing, and a winner of Chongqing's May Day labor medal. It has won awards such as National Innovation Achievement Award, Industrial S&T Progress Award and Logistics KPI Benchmark Award.

The Company's main business covers all fields of industry chain and supply chain, providing customers with services such as whole vehicle logistics, parts logistics, spare parts and bulk cargo logistics, international logistics, distribution processing, procurement trade, supply chain finance and shared leasing.

Under the corporate mission of "innovative logistics service makes life better", the Company is committed to becoming a trusted first-class intelligent logistics platform service provider. With professional and efficient logistics operation management system and ability, it provides customers with integrated logistics solutions "that are cost effective, time-saving, worry-free and value-added".



Organization



Enterprise Culture

With "becoming world-class" as the goal, green, intelligent and digital technologies as the key, the "service leading strategy" as the cornerstone, and building "five high" (high technology, high vitality, high efficiency, high brand and high quality) as the direction, the Company is committed to transforming and upgrading from traditional logistics to a world-class green intelligent supply chain logistics technology company in 10 to 15 years by strengthening automobile logistics, expanding non-automobile logistics, and the logistics ecosystem, so that customers can trust us and entrust us with their business.

Develop and innovate our logistics management process and logistics model and contribute to society in a professional and efficient manner to create a better and brighter life.

- **For society:** earnest in the performance of our social responsibilities, constantly reforming and innovating, a pioneer and industry leader in socially, economically and environmentally sustainable development.
- **To customers:** We provide professional, efficient and high-quality one-stop logistics solutions for customers to keep creating values for them and improving their satisfaction and loyalty.
- **To employees:** Being contributor-valued, we build a platform for respect, happiness, innovation, and sharing, create a fair, simple and transparent atmosphere for cooperation, keep improving our workforce, and enable our employees to pursue personal development.
- **To shareholders:** We pursue a mode that is transparent, efficient, growth-centered and prudent; while focusing on business growth, we also keep optimizing our profitability and risk tolerance to provide our shareholders with long-term, stable and high returns.
- **To partners:** We build long-term cooperation relationships with our partners for jointly creating values, sharing benefits and bearing risks on the principles of integrity, equality and win-win outcomes to pursue growth, meet challenges and win a bright future together.

- Customer satisfaction
- To develop employees
- To be honest and responsible
- To maintain a spirit of cooperation
- Self-criticism

Enterprise vision

To become a world-class green intelligent supply chain logistics technology company

Enterprise mission

To use innovative logistics to create a better life for all stakeholders

Enterprise core values

Honor

All-China Federation of Trade Unions

- ◎ National "May Day" Labor Award

China Enterprise Culture Administration Association

- ◎ Advanced Unit in Party Building + Enterprise Culture in the New Era
- ◎ Second Prize of Excellent Cases of Strengthening Enterprise with Culture
- ◎ First Prize of Green Development and Innovation Achievements of Enterprises
- ◎ Silver Award Endorsement Works of the Voice of the Most Beautiful Brand
- ◎ Silver Award Endorsement Works of the Voice of the Most Beautiful Propagation

China Federation of Logistics & Purchasing

- ◎ Excellent Case of Intelligent Logistics Technology and Equipment Innovation Application in 2022
- ◎ P.G. Logistics Award
- ◎ Third Prize of Technology Progress Award

China Automotive Logistics Association of CFLP

- ◎ Excellent Innovation Case in Automobile Logistics Industry

China Logistics Equipment Committee of CFLP

- ◎ Logistics Technology Innovation Case Award
- ◎ Recommended Brand of Logistics Technology and Equipment

China Logistics Times

- ◎ Logistics and Supply Chain (China) Solution top50.pdf

Chongqing Changan Automobile Company Limited

- ◎ 2022 Excellent Suppliers

Changan Ford Automobile Co., Ltd.

- ◎ 2022 Excellent Suppliers

Schaeffler

- ◎ 2022 Best Delivery Award



Governance

Govern the enterprise according to regulations and maintain sustainable economic growth

The Company adheres to governing the enterprise according to law, standardizes the construction of internal control system, actively practices clean employment, and constantly improves the governance structure of sustainable development, so as to lay a solid foundation for steady development.

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The Board of Directors consists of **10** directors



including **1** chairman



and **4** independent non-executive directors



Company management

In strict accordance with the *Company Law*, the listing rules of the place of listing and the *Articles of Association*, the Company has continuously improved the corporate governance structure, established a relatively perfect governance system and a standardized management of "three meetings and one level" (the general meeting of shareholders, the Board of Directors, the Board of Supervisors and the management). The Board of Directors consists of Strategy and Investment Committee, Nomination Committee, Remuneration Committee and Audit Committee. The Board of Directors consists of 10 directors, including 4 independent non-executive directors and 1 chairman. In terms of discipline diversity, the Company's directors have different discipline backgrounds such as finance and logistics, and can provide professional advice for the company in different aspects; In terms of gender diversity, among the 10 directors, there are 1 female director and 9 male directors; In terms of nationality diversity, among the 10 directors, there are 7 Chinese directors, 2 Hong Kong directors and 1 Singapore director; In terms of age diversity, the 10 directors have a wide range of ages, ranging from 40 to 70.

The Board of Directors consists of **10** directors including **1** chairman and **4** independent non-executive directors

Independent non-executive directors, who account for more than one-third of the directors, are independent of the Company's management and have extensive business and financial experience to advise the Board of Directors and management on the Company's strategic development and to provide checks and balances to protect the interests of shareholders and the Company as a whole. Directors (excluding independent directors) may concurrently hold general manager or other senior management positions (excluding supervisory positions). Although the current independent non-executive directors of the Company have been in office for more than 9 years, they do not participate in the daily management of the Company. There are no circumstances that may affect their independence as independent non-executive directors of the Company. The Company receives annual confirmation from independent non-executive directors on their independence every year.

ESG governance

ESG structure

The Board of Directors is the decision-making level of ESG, the office of the Board of Directors is the leading department, and the function center, business department and each level of regional company participate in ESG management, operation, and implementation.

The Company continues to improve the ESG system and sets up an ESG working group to effectively promote the ESG management of the Company. By establishing an environmental and social work management system in line with their own business development, all departments of the Company clarify their responsibilities and perform their respective duties to jointly promote the practice of sustainable development.

The Board of Directors and the management collaborate with each other to incorporate environmental, social, and governance sustainability into the daily operation and management of the Company, enable ESG transformation and upgrading with "high technology" and traditional business with "digitization, intelligence and greening", and explore new business to accelerate the transformation into a technology company and promote the green development of the Company.

Stakeholders identification and communication

Through multi-channel communication with various stakeholders, the Company actively understands its expectations and requirements, improves its ESG performance in a targeted manner, transmits its sustainable development concept and actions to stakeholders, creates sustainable value and achieves all-win.

Stakeholders	Expectations and demands	Communication methods
 Government	<ul style="list-style-type: none"> Observe law and discipline Tax payment Economic development 	<ul style="list-style-type: none"> Information disclosure Department visit Communication meeting Public events
 Shareholders and investors	<ul style="list-style-type: none"> Corporate governance Economic value Compliance information disclosure 	<ul style="list-style-type: none"> Shareholders' meeting Official website Public reporting Regular reporting Analyst briefing
 Customer	<ul style="list-style-type: none"> Service improving Safe delivery and transportation Privacy protection 	<ul style="list-style-type: none"> Official website Customer Interviews Customer service hotline Customer relationship periodic maintenance Customer satisfaction VIP Customer communication annual meeting Quarterly delivery quality meeting
 Supplier	<ul style="list-style-type: none"> Fairness, justice and open purchasing Sustainable supply chain Promote industry development 	<ul style="list-style-type: none"> Direct Communication visit Supplier meeting Online opinion survey Procurement and resource management platform Regular review and assessment Bidding activities
 Employees	<ul style="list-style-type: none"> Salary and welfare guarantee Health and safety Training and development Work-life balance 	<ul style="list-style-type: none"> Company intranet Employee mailbox Employee family visit Employee meeting Employee recreational activities Employee training
 Community	<ul style="list-style-type: none"> Participate in community building Concern for vulnerable groups 	<ul style="list-style-type: none"> Fixed-point poverty alleviation Charity donation Offering job opportunities
 Media/public	<ul style="list-style-type: none"> Information disclosure Communication mechanism 	<ul style="list-style-type: none"> Online opinion survey Site visits

List of important topics

After an analysis on the Company's ESG work in respect of present status, media coverage and peer comparison, in combination with the Company's development plan and communication results with stakeholders, the Management of the Company confirmed that all the issues applicable to the businesses of the Company as set out in the ESG Guide are issues of significance to our own development. Moreover, by hiring external experts and inviting corporate officers to review the substantive issues, we have sorted the materiality of each issue, and responded to each material issue in this report. As there is no significant change in the Company's business during the reporting period, the determination results of substantive issues of this year are basically consistent with those of the previous year. The specific issues and their materiality are listed as follows:

Topic	Materiality
Product Liability	1
Health and safety	2
Climate change	3
Emission	4
Resource use	5
Supply chain management	6
Employment	7
Development and training	8
Labour standards	9
Anti-corruption	10
Environment and natural resources	11
Community investment	12

Anti-corruption

The Company strictly abides by the *Criminal Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, *Law of the People's Republic of China on Anti-money Laundering* and other laws and regulations, adheres to honest operation, fair competition, keeps to business ethics, and resolutely prohibits bribery, extortion, fraud and money laundering. During the reporting period, the Company did not have any legal litigation cases such as corruption and bribery.

Improve construction of integrity system

During the reporting period, the Company continuously reinforced the construction of integrity system, comprehensively strengthened Party self-discipline, built a solid ideological bottom line for employees to observe law and discipline, implemented the construction of integrity in all links of key areas and key post management, intensified the restriction and supervision of power operation, and promoted a mechanism that "dare not corrupt, cannot corrupt, do not want to corrupt" to strictly prevented commercial bribery and commercial corruption.



During the reporting period, the Company updates the *Negative List of Corruption at the Micro-level, Measures for the Management of Registration for Handing in Payments and Gifts Received by Company Staff*, and *Implementation Rules of the Company's Construction of Large Supervision System*, so as to further standardize its internal integrity control system and regulate the development of integrity work.

Carry out special rectification

Carry out the special rectification by conducting business line self-inspection in four key links of transport capacity allocation, business outsourcing, foreign and domestic storage management, and waste material disposal, as well as in three key areas of procurement, internal control and intelligent logistics construction in combination with the characteristics of the logistics industry, identifying management and system problems and rectifying them.

Establish whistleblowing channels

The Company establishes multiple channels such as reporting mailbox, telephone and mailbox to receive anti-corruption complaints and reports, timely deal with various problems reflected and feed back the results. The Company strictly keeps confidential the informant's name, work unit, home address and other relevant information as well as the contents of the reporting, and includes the reporting materials in confidential document management.

Develop honesty education

The Company develops various forms of honesty education activities, covering both the Company's management and grass-roots employees, and focusing on education in "plane", training in "line" and warning in "point". The effectiveness of combating corruption and upholding integrity has been recognized by employees.

Related measures:

Sign enterprise-wide letters of responsibility on the construction of a clean and honest Party work style, and establish 23 personalized indicators; identify 394 people in key positions, and sign 1,520 integrity commitment letters at all levels;

Carry out warning education activities at different levels through various forms such as middle-level cadre meetings and business line case sharing;

Establish a publicity column for "uprightness and honesty" and release 20 issues of publicity content on honesty; organize the creation of an incorruptible culture, produce 35 short videos on honesty, and cultivate an honest atmosphere.

In 2022,

○ Times of publicity and education training of anti-corruption

32 times

○ Person times of employees participating in corruption combating and integrity upholding training

6342 person-time

○ Person times of directors participating in corruption combating and integrity upholding training

12 person-time

Intellectual property protection

In strict accordance with the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and other relevant laws and regulations of China and Chongqing, the Company formulates *Administrative Measures for Intellectual Property Rights (Trial)* and *Administrative Procedures for Intellectual Property Rights* to check the links that may have intellectual property infringement risk. If there is intellectual property infringement risk, the Company avoids infringing others' intellectual property rights by avoidance design, invalid patent, obtaining patent license and other strategies. For acts involving infringement of the Company's intellectual property rights and interests, the Company will protect its rights in accordance with national laws and regulations and relevant procedures and the Company's systems.



Environment

Establish environmentally friendly and green channels

Global climate change is a common challenge facing mankind. By always taking "building a world-class green intelligent supply chain logistics" as the vision, the Company attaches great importance to environmental protection, energy conservation, and carbon reduction during operation, actively supports the development of national carbon peaking and carbon neutralization undertakings, integrates green concepts into multiple links such as warehousing, transportation, packaging, and recycling, builds a carbon reduction ecology, and creates green logistics channels.

Strengthen environmental management

17

Practice energy conservation and emission reduction

20

Combat climate change

28

Spread green culture

30



all departments of the Company carried out **80** environmental protection trainings



with a total number of **4,618** participants



15 emergency drills for environmental emergencies



Strengthen environmental management

The Company has deeply promoted the construction of the QHSE management system, continuously improved environmental protection related policies and system documents, established a safety and environmental protection committee, which is responsible for studying, coordinating, guiding, and resolving environmental protection related issues of the Company, ensuring the operation, review, and continuous improvement of the environmental protection management system, promoting environmental protection responsibility from management to practice, and conducting energy conservation and environmental protection training to making all employees responsible for and practitioners of environmental protection and jointly protect the ecological environment.

Management structure and mechanism of safety and environmental protection committee

The director of the environmental protection committee is the chairman, the deputy director is the general manager, and the members are composed of senior executives, and principals of functional centers, regional companies, business departments and subsidiaries. The office of the environmental protection committee is located in the environmental protection coordination department, with the principal of the environmental protection coordination department serving as the office director. The office of the environmental protection committee is mainly responsible for the daily affairs of the committee, including regularly organizing meetings (held together with the safety committee), and inspecting and assessing the implementation of environmental protection work of each department. The environmental protection committee shall hold a meeting at least once a quarter to convey and implement environmental production laws, regulations, and other requirements issued by the state or higher authorities, summarize and analyze the Company's environmental management status, discuss and determine the Company's major environmental issues, and propose work objectives and plans.

System guarantee

- Strictly abide by national laws and regulations such as *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, *Regulations on the Management of Environmental Protection upon Completion of Construction Projects* and *Administrative Measures for Environmental Protection Acceptance of Construction Projects*.
- Constantly improve internal management systems such as *Administrative Measures for Prevention and Control of Environmental Pollutants*, *Administrative Measures for Environmental Protection*, *Environmental Factor Identification and Evaluation Process*, *Environmental Risk and Opportunity Identification and Assessment Process*, *Noise Emission Control Management Process*, *Process for Control and Management of Waste Water Discharge and Waste Gas Emission*, and *Environmental Risk and Opportunity Identification and Assessment Process*.

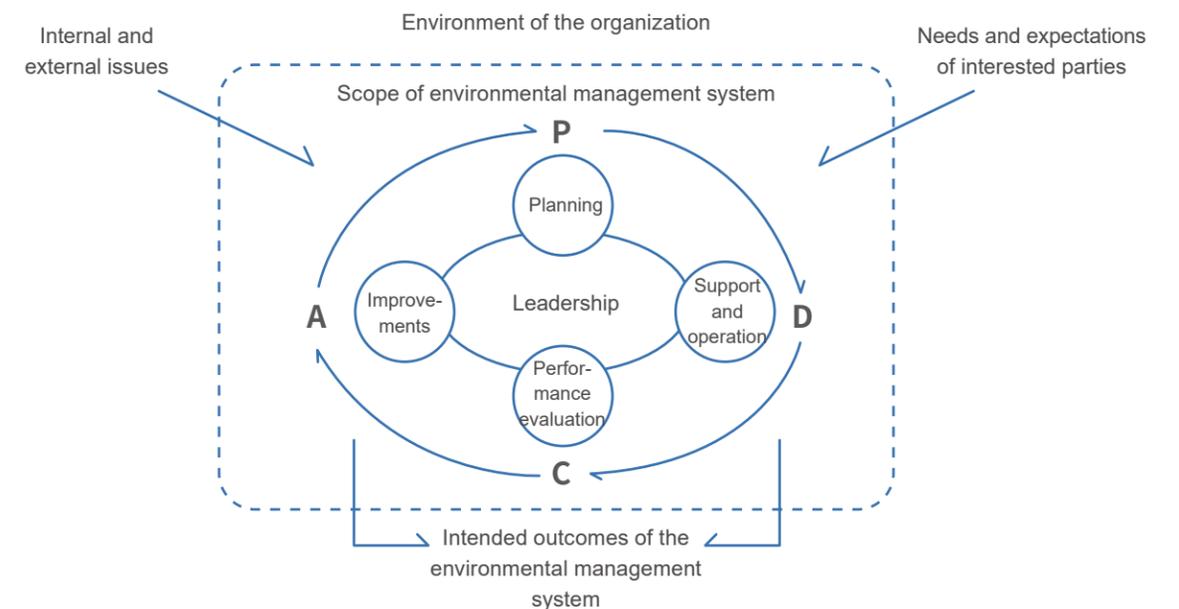
Management guarantee

- Set up a safety and environmental protection committee to form an internal environmental protection organization with the Safety Management and Lean Management Center of the headquarters as the leader and supervisor and each department as the performer. Each department performs their duties in the environmental protection process. The leader is responsible for formulating regulations and procedures regarding environmental protection and planning the Company's environmental management work. Each performer is responsible for identifying the environmental elements involved within their management scope, formulating controlling measures, ensuring compliant emissions, minimizing environmental risks, so as to ensure the effective implementation and operation of QHSE management system within the Company.

Implementation guarantee

- Perfect the preparation of environmental management manual and management measures, guide each department to prepare three-level operation documents such as relevant operation procedures, management regulations and control requirements, and supervise the implementation.
- Perfect *Internal Audit Control Process* and *Management Review Management Process* which require each department to regularly organize internal audit and management review for their systems as planned, and accept the external audit. If problems are found in various audits, the responsible department will be responsible for implementing the rectification and closure and each business department/subsidiary will assist with verification work; in addition, the Safety Management and Lean Management Center of the Company's headquarters will supervise and inspect the implementation of the rectification.
- The Company carried out annual environmental factor monitoring, including 112 samples from 9 regions and 9 categories, none of which exceeded the standard, and all emissions met the standard.
- Conduct internal audits of the ISO 14001 environmental system (the Company passed external audit of the ISO 14001 environmental system by Hangzhou WIT Assessment at once in July), and fully demonstrate the suitability, adequacy, and effectiveness of the Company's environmental system.

Operation Mode of Environmental Management System



Environmental management targets	Target value	Completion value
"0" general and above environmental emergency	0	0
100% completion rate of rectification of potential environmental hazards on schedule	100%	100%
100% service guarantee rate of environmental protection facilities after transformation	100%	100%
100% compliance rate of solid waste collection, temporary storage and disposal management regulations	100%	100%
Administrative penalty for ecological environment protection "0"	0	0

Environmental objectives



Greenhouse gas reduction target

The carbon dioxide emission per RMB ten thousand operating revenue is planned to be reduced by 2% in 2022, 3% in 2023, 4% in 2024 compared with the previous year and 9% in 2024 compared with 2021.



Waste reduction target

Reduce waste generation, gradually improve the use efficiency of recycling packaging and reduce packaging loss by publicizing recycling, promoting the application of green networked recycling packaging and practicing waste classification.



Energy conservation target

The comprehensive energy consumption per RMB ten thousand operating revenue is planned to be reduced by 3% in 2022, 3% in 2023, 4% in 2024 compared with the previous year and 10% in 2024 compared with 2021.



Water conservation target

Reduce the discharge of domestic sewage and gradually explore and establish the target of water resource consumption through repairing water facilities and advocating water conservation.

Practice energy conservation and emission reduction

The Company actively carried out energy conservation and emission reduction and ecological environment protection, formulated *Administrative Measures for Prevention and Control of Environmental Pollutants*, used scientific management system, took pollution prevention as the core, adopted advanced science and technology, and strove to reduce pollutant emissions, optimize resource use efficiency and achieve green and long-term development.

Emissions management

The Company involves the emissions of solid wastes, waste water and waste gas during its operation. We establish the concept of "zero emission and zero pollution", continue to carry out comprehensive, whole process, full participation and closed-loop environmental management activities, strictly manage pollutant emission in the process of operation, and take effective disposal measures for different types of pollutants to ensure that all pollutant emissions meet the requirements of national and local laws and regulations. During the reporting period, the Company carried out annual environmental factor monitoring, including 112 samples from 9 regions and 9 categories, none of which exceeded the standard, and all emissions met the standard.

Solid wastes management

The Company has formulated special procedures such as *Resource Management Measures*, *Fixed Assets Disposal Process* and *Non-fixed Assets Disposal Process* to strictly standardize the recycling and utilization of solid wastes. In the daily production and operation of the Company, the possible solid wastes include the used fluorescent tubes and used printer cartridges, and used batteries from battery forklifts and other equipment, and used engine oil from vehicle maintenance. We attach great importance to the disposal of these wastes, and require all responsible departments to adhere to the principle of "anyone who causes pollution shall be responsible for the pollution treatment", take the environmental protection as an important part of production management, dispose wastes in strict accordance with relevant environmental protection rules and regulations, and delegate to qualified third-party organization for professional treatment to ensure that the environmental pollution caused in the production process of the Company is minimized.

During the reporting period, the Company strictly standardized the classified collection and treatment of domestic waste in various departments. Specific measures include:

- Continue to invest in purchasing or leasing electric forklifts to replace diesel forklifts to reduce waste gas emissions;
- It vigorously promoted the best practice cases of energy and environmental protection, transformed the automatic power-off charging devices and intelligent liquid replenishers, and added leak proof trays to prevent the leakage of battery electrolyte. Some departments piloted lithium battery forklifts and trailers, which essentially eliminate the leakage of battery electrolyte;
- The Company standardized the management of key areas such as charging area and maintenance area in 2022, established pollution prevention and control measures, standardized waste water discharge, transferred and disposed of more than 50 tons of hazardous waste in accordance with laws and regulations, to prevent environmental pollution incidents;
- Standardize the sorted collection and treatment of domestic waste by hazardous waste, perishable waste, recyclable waste, and other waste in each department.

During the reporting period, the main waste emission of the Company was as follows:¹

Volume of hazardous waste produced ²	Unit	2022
Used engine oil	t	1.25
Used engine oil density	ton/RMB 100 million revenue	0.01
Used printer cartridge	t	1.11
Used battery	t	0.30
Used forklift batteries	t	46.42
Used fluorescent tube	t	0.07
Total amount of hazardous wastes	t	49.15
Density of hazardous waste	ton/RMB 100 million revenue	0.64

¹ In 2022, based on the requirements of ESG Guide, we updated the data statistical caliber and data calculation method.

² Total hazardous waste comprises of the production of used engine oil, used cartridges, used batteries, used fluorescent tubes and used batteries of forklifts.

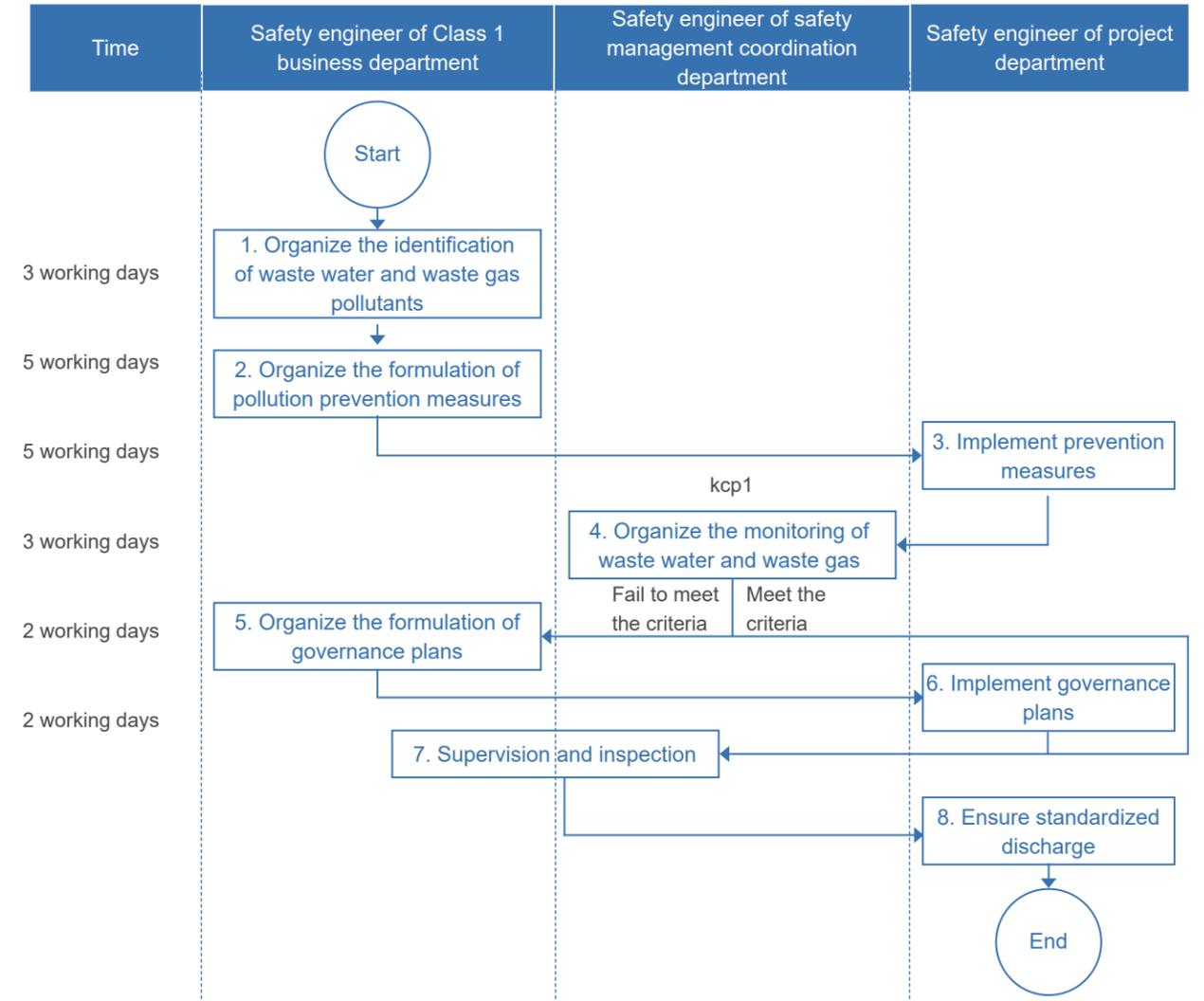
Volume of non-hazardous waste produced ³	Unit	2022
Used tires	t	5.29
Used paper	t	19.65
Used wooden pallet	t	31.84
Used plastics	t	15.32
Used cardboard	t	60.94
Total amount of non-hazardous wastes	t	133.03
Density of non-hazardous wastes	ton/RMB 100 million revenue	1.73

³ Total non-hazardous waste (ton) comprises of the production of used tyres, used papers, used wooden pallets, used plastics and used cardboard.

Flow Chart of Waste Water and Waste Gas Emission Control Management

Process name: waste water and waste gas emission control management process

Process owner: safety management coordination department



Waste water management

The Company has established strict environmental management system, including *Process for Control and Management of Waste Water Discharge and Waste Gas Emission*, to control the generation and treatment of waste water. The Company generates limited volume of waste water, mainly includes lightly pollutive domestic sewage and vehicle wash water, which will be verified by the environmental authority and discharged to the municipal sewage network for unified treatment.

During the reporting period, the Company took the following measures for waste water management:

- Conduct environmental monitoring at least once a year and keep monitoring reports. In case of non-compliance with the corresponding national limits, the Class 1 business company shall organize the formulation and implementation of water pollution control and rectification measures to ensure that the pollutants are discharged up to standard;
- The waste water generating department is responsible for preparing waste water discharge management provisions or operating procedures, formulating detailed pollution prevention and control implementation plans and organizing their implementation. It is strictly prohibited to discharge waste water in an irregular manner;
- Departments where water pollution accidents are likely to occur shall establish environmental emergency plans to reduce the impact and pollution as much as possible;
- The oily waste water from the canteen is treated in an oil separator, and the treated waste water is discharged into the designated sewage pipe network. It is strictly prohibited to discharge it into the rainwater pipe network. The use of phosphorus-based detergents in the canteen is strictly prohibited;

Waste water discharge and density	Unit	2022
Total waste water discharge	m ³	141,594.84
Density of waste water density	m ³ /RMB 100 million revenue	1,839.61

Waste gas management

The Company pays attention to waste gas management, keeps a close eye on the source of oil to ensure that motor vehicles use gasoline that meets the national emission standards, and promotes vehicle urea to help heavy trucks, buses and other diesel vehicles reduce pollutant emissions. During the reporting period, the Company invested RMB 420,000 to continuously purchase or lease electric forklifts to replace diesel forklifts to reduce waste gas emissions.

Greenhouse gas management

The greenhouse gas emissions of the Company mainly come from the energy consumption such as gasoline and diesel used in the transportation process and the purchased power consumption used in the administrative office area. We continue to strengthen the control of greenhouse gas emissions and contribute to China's goal of carbon peaking and carbon neutralization.

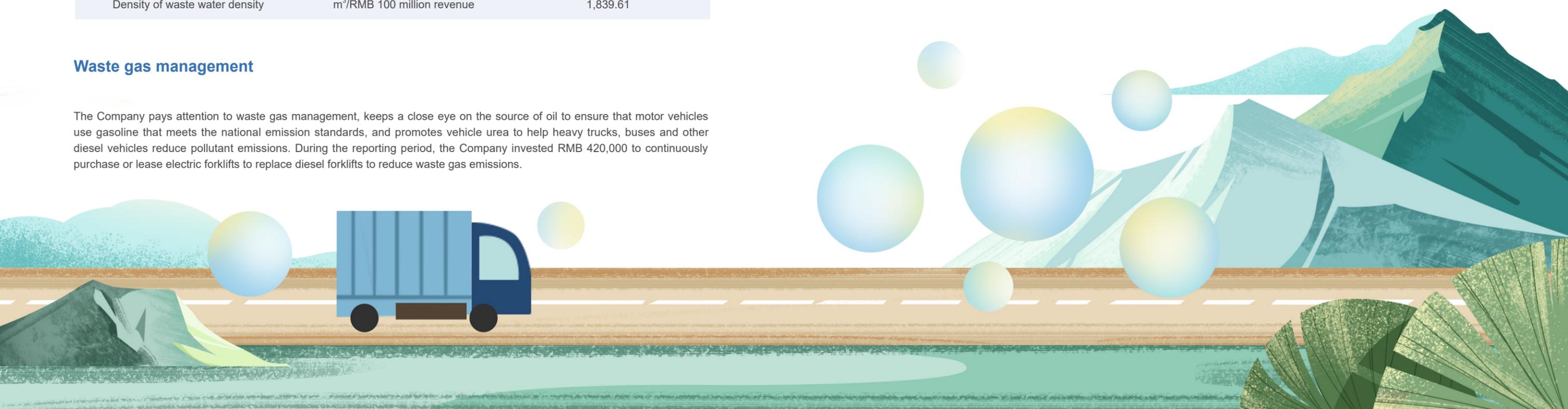
We adjust the energy consumption structure, adopt renewable energy solutions, invest and build photovoltaic projects in appropriate bases and parks, gradually increase the application of new energy vehicles and change the type of energy use, so as to greatly reduce the carbon emission of business operation; apply carbon reduction technology, gradually build carbon emission management platforms, and realize low-carbon intelligent operation by using leading technologies such as artificial intelligence, big data and the Internet of things; upgrade the business model, improve operation efficiency and reduce carbon emissions by gradually promoting convective transportation, milk run, modal shift from road to rail/from road to waterway and multimodal transport, using green and low-carbon packaging, intelligent enterprise management, and providing customers with green and intelligent supply chain integration solutions.

During the reporting period, the Company's greenhouse gas emissions were as follows:⁴

Greenhouse gas emissions and intensity ⁵	Unit	2022
Greenhouse gas emission (scope 1)	CO ₂ equivalent - ton	10,893.12
Greenhouse gas emission (scope 2)	CO ₂ equivalent - ton	5,567.85
Total emissions of greenhouse gas	CO ₂ equivalent - ton	16,460.97
Density of greenhouse gas emission	CO ₂ equivalent - ton/RMB 100 million revenue	213.86

⁴ In 2022, based on the requirements of ESG Guide, we updated the data statistical caliber and data calculation method.

⁵ Greenhouse gases mainly include carbon dioxide, methane and nitrous oxide. The calculation method of greenhouse gas emissions refers to the *Accounting and Reporting Standard of Greenhouse Gas Accounting System for Enterprises 2012* (Revised Edition) issued by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and the *Fifth Assessment Report* issued by Intergovernmental Panel on Climate Change (IPCC); the grid emission factors used in the calculation of scope II is derived from the average emission factors of the national grid in 2022 published in the *Notice on the Report and Administration of Greenhouse Gas Emissions of Power Generation Enterprises from 2023 to 2025* by the General Office of the Ministry of Ecology and Environment. Total greenhouse gas emissions include emissions in scope I and scope II.

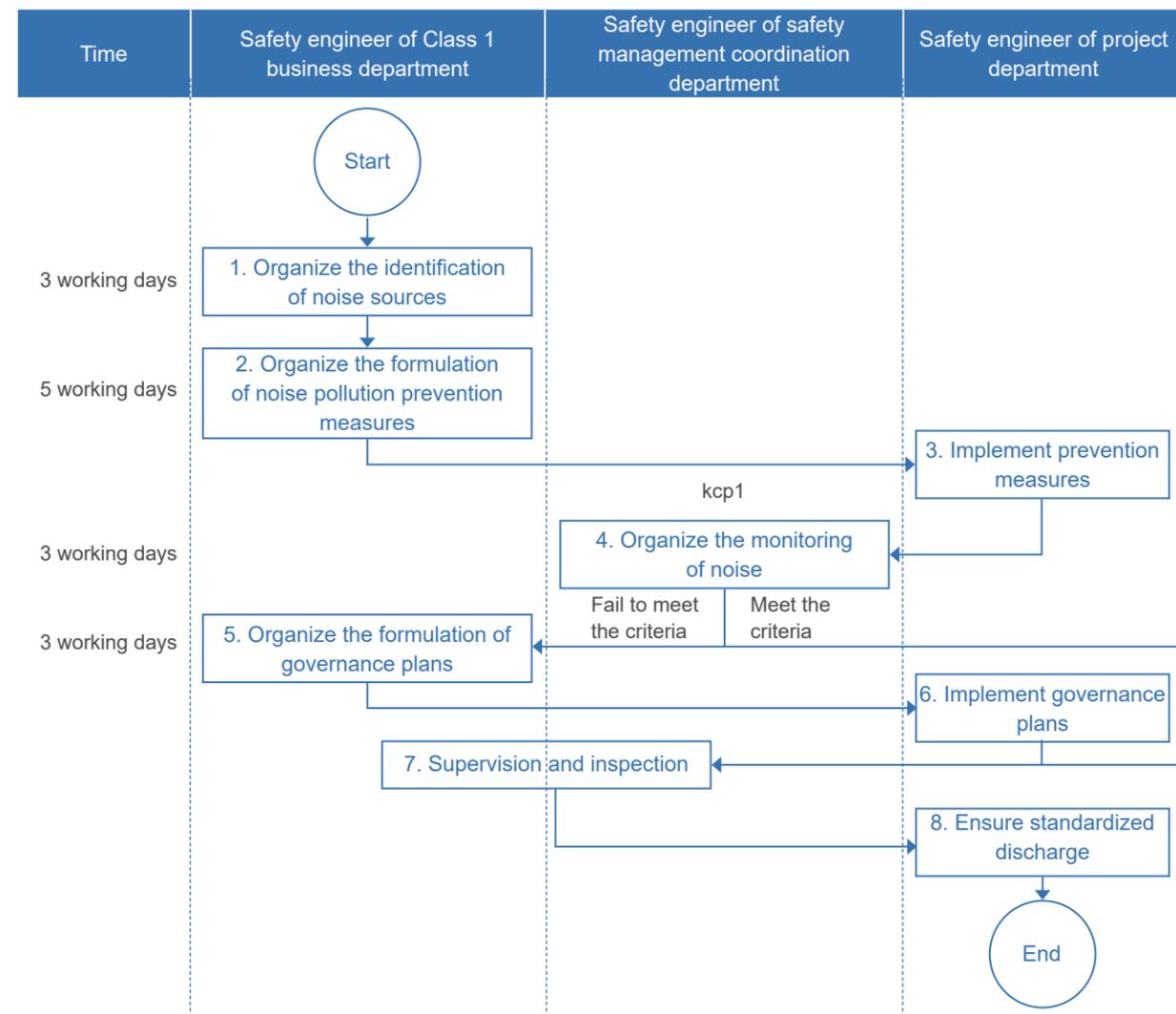


Noise management

Noise pollution is involved in the production process of the Company. We have formulated the *Noise Emission Control Management Procedures*, and regularly monitor environmental factors every year. Through effective management and control of noise generated in production and business activities, noise emission is ensured to meet the requirements of national laws and regulations, so as to protect the physical and mental health of employees and the masses and reduce environmental impacts. During the reporting period, the Company carried out annual environmental factor monitoring, including 112 samples from 9 regions and 9 categories, none of which exceeded the standard, and all emissions met the standard.

Process name: waste water and waste gas emission control management process

Process owner: safety management coordination department



Noise Emission Management Flow Chart

Resource use

The main energy consumption of the Company includes electricity, gasoline, diesel, natural gas and other energy sources. In order to implement the national policy of attaching equal importance to energy development and conservation, comprehensively strengthen the Company's energy use management, reduce energy consumption, improve energy utilization efficiency, and enhance the Company's economic efficiency, we strictly abide by laws and regulations such as *Law of the People's Republic of China on Conserving Energy*, *Cleaner Production Promotion Law of the People's Republic of China*, *Circular Economy Promotion Law of the People's Republic of China*, and *Interim Regulations on Energy Conservation Management* of the State Council, issue internal systems such as *Resource Management Measures* and *Administrative Measures for Environmental Protection*, and newly formulate *Energy Management Measures* based on the actual situation of the Company to continuously strengthen the effective management of energy and resources.

Power management

We continue to optimize the energy structure, eliminate old equipment and improve energy efficiency. At the same time, we actively promote green office and save unnecessary resource consumption. For example, The inspection and notification mechanism for turning off lights at night requires all employees to turn off the lighting system in their area after work to save electricity. If the inspectors find that the lights are not turned off, the informed criticism will be given inside the Company to remind them and improve the awareness of saving electricity and environmental protection of all employees.

During the reporting period, the Company's energy usage was as follows:⁶

Total direct and indirect energy consumption and density by type	Unit	2022
Unleaded petrol	Liter	117,062.14
Diesel	Liter	3,675,182.07
Natural gas	m ³	281,599.00
Outsourced electricity	MWh	9,362.60
Direct energy consumption	MWh	41,543.10
Indirect energy consumption	MWh	9,763.02
Total energy consumption	MWh	51,306.12
Density of total energy consumption	kWh/RMB 100 million revenue	666.57

⁶ In 2022, based on the requirements of ESG Guide, we updated the data statistical caliber and data calculation method.



Water resource management

The Company attaches importance to the rational utilization of water resources, adheres to scientific water use and improves the efficiency of water use. For example, we carry out regular inspection on warehouses with "leakage and venting" problems and supervise the rectification to effectively avoid the waste of water resources.

During the reporting period, the Company's water usage was as follows:⁷

Total water consumption and density	Unit	2022
Total water consumption	m ³	401,033.78
Water consumption density	m ³ /RMB 100 million revenue	5,210.26
Water saving amount	m ³	570.00

⁷ In 2022, based on the requirements of ESG Guide, we updated the data statistical caliber and data calculation method.

Material resource management

The Company has devoted to the development of green products; and the Company strengthened the management of the whole process, optimized the input of raw materials, vigorously carried out the technological innovation, reduced pollutant emissions from various aspects such as technological innovation, product design, product production and packaging, building an environment-friendly enterprise image. The Company reduced the use of disposable materials and introduced new recyclable packaging materials during the operation, so as to reduce the cost of disposable packaging, extend the product life cycle, improve the resource utilization efficiency and reduce the generation of disposable wastes.

During the reporting period, we actively promoted the implementation of 15 green packaging projects, with a total cycle output value of RMB 15.87 million, launched new products with networked label, and realized the application of green packaging in the Company's business lines, including production part packaging, packaging cloud platform construction, and packaging product development.



During the reporting period, the Company's packaging material usage was as follows:⁸

Total amount and density of packaging material ⁹	Unit	2022
Paper	t	464.80
Wooden products	t	90.00
Plastics	t	358.50
Total amount of packaging material	t	915.01
Density of packaging material	ton/RMB 100 million revenue	11.89

⁸ In 2022, based on the requirements of ESG Guide, we updated the data statistical caliber and data calculation method.

⁹ Total packaging materials (ton) include paper, wooden, plastic packaging materials and so on.

Combat climate change

Climate change is one of the greatest risks facing the world. The Company actively carries out the identification of climate change risks and opportunities, continuously optimizes and improves the Company's overall low-carbon logistics strategy and layout, and takes effective measures to reduce carbon emissions and mitigate the impact of climate change.

Climate change risks and opportunities	Time dimension	Our action	
Transformation risk	Policy risk The implementation of the "carbon peaking and carbon neutralization" plan and the introduction of policies related to energy conservation and emission reduction may have an impact on the service and operation mode of express companies, leading to an increase in expenses of environmental protection, energy conservation and emission reduction	Medium- and long-term	<ul style="list-style-type: none"> Set scientific greenhouse gas emission reduction targets Launch strategic plans for low-carbon logistics Carry out energy conservation and consumption reduction and promote the use of renewable energy sources Apply carbon reduction technology and use green low-carbon packaging
	Technical risk Green packaging technology R&D, green transportation, green office, etc.	Medium- and long-term	<ul style="list-style-type: none"> Increase investment in low-carbon technology R&D and improve R&D efficiency
	Market risk Consumers pay more attention to the impact of products and services on climate	Medium- and long-term	<ul style="list-style-type: none"> Strengthen the promotion of green transformation of products and services, and create a low-carbon brand image
Physical risk	Reputation risks Investors' attention, upstream and downstream demand of the supply chain, community's attention	Long-term	<ul style="list-style-type: none"> Strengthen communication with stakeholders, disclose low-carbon and environmental actions and data; join suppliers in low-carbon actions
	Acute risk Extreme weather events and major natural disasters may pose a threat to transportation safety	Short- and medium-term	<ul style="list-style-type: none"> Establish <i>Special Emergency Plan for Sudden Natural Disasters</i> for extreme weather and natural disasters such as earthquake, debris flow, landslide, rainstorm, hurricane and blizzard, take emergency measures to effectively prevent and reduce the occurrence of emergencies, and control, reduce and eliminate serious social hazards caused by emergencies.
	Chronic risk Temperature rise and sea level rise may have an impact on human living environment and business scope	Long-term	<ul style="list-style-type: none"> Participate in climate change actions and protect the ecological environment

Strategic planning for low-carbon logistics

The Company actively responded to the national "carbon peaking and carbon neutralization" policy and proposed a green and low-carbon logistics strategy during the reporting period. Starting from the three main action lines of energy conservation, clean energy, and empowerment, the Company continued to increase low-carbon technology and product R&D, achieved carbon footprint management, carbon emission reduction, carbon offset, and carbon certification through four product platforms of green logistics digital management platform, green logistics equipment, carbon offset project, and green certification and consultation, and enhanced its green competitiveness by establishing a carbon ecosystem.

Overall Green and Low-carbon Logistics Strategy of the Company

Green strategy: CMAL is positioned as an overall solution provider for green industrial logistics

1. Carbon footprint: Supply chain carbon footprint solution provider
2. Carbon emission reduction: Green transportation: Green transport capacity and intelligent IoV platform provider
Green packaging: Overall IoT intelligent circular packaging solution provider
Green park: Park energy and carbon emission digital solution provider
3. Carbon offset: Carbon offset project service solution manager
4. Carbon certification: Supply chain low-carbon transformation service solution manager

3 main action lines

- Energy conservation (save energy consumption of the Company itself)
- Clean energy (increase the proportion of clean energy use)
- Empowerment (give full play to the assistance of digital and intelligent technology)

4 product platforms

	Green logistics digital management platform	Green logistics equipment	Carbon offset project	Green certification and consultation
Green products	Carbon emission management Carbon emission reduction management ESG evaluation service Management of carbon assets Carbon-based service	Green transportation Green packaging Green warehouse Green park	Green electricity procurement certificate Carbon rationing transaction Carbon credit transaction Development of CCER project	Carbon neutralization certification Science-Based Targets Green product certification National standards / industrial standards / group standards
Key parts	Carbon footprint	Carbon emission reduction	Carbon offset	Carbon certification

6 capability platforms

Core capabilities	Policy interpretation capability	Technical research and judgment capability	Resource integration capability	Standard setting capability
Support system	Organizational guarantee		Manpower guarantee	

Green target: Find out the carbon situation, establish a carbon ecosystem, and enhance green competitiveness

1. Find out the carbon situation:
 - Build a green logistics digital management platform;
 - Realize carbon emission accounting in the entire process of automobile logistics;
 - Develop emission reduction targets and emission reduction roadmap;
 - Strengthen attention to emission reduction, social responsibility, and sustainable development reports
2. Establish a carbon ecosystem: Cooperate to develop green products and define green logistics solutions.



Build a digital carbon footprint management platform 1.0

The Company plans to build a digital carbon footprint management platform 1.0 to achieve professional and digital carbon emission accounting and management.

The core functions include:

- Build four functional modules: carbon accounting organization, product carbon footprint, carbon accounting for emission reduction projects, and carbon emission reduction management
- Establish a carbon emission evaluation system and model and form green and low-carbon accounting and solution capabilities
- Actively expand and upgrade the platform functions on the basis of consolidating carbon accounting and carbon emission reduction management in phase I with platform 1.0, and carry out carbon footprint multi-valuing in phase II as planned

Project profit:

- Realize digital carbon emission management for reducing costs and increasing efficiency, help tap emission reduction potential, and promote technological innovation in energy conservation and emission reduction
- Improve the Company's carbon management system and reduce potential policy risks
- Provide customers with additional value-added services, including quantifiable green logistics solutions, carbon footprint management services, and assist customers in achieving ESG compliance management
- Cultivate low-carbon awareness, and create a green corporate culture

Spread green culture

In order to deeply practice President Xi Jinping's ecological civilization thought and fully, accurately and comprehensively implement the new development concept, the Company has carried out extensive publicity and education on energy conservation and carbon reduction, vigorously advocated green and low-carbon production and life style, conducted a series of environmental protection activities, spread green culture, and advocated green and low-carbon work and life concept.

In the information building and canteen area of the Company, we broadcast relevant knowledge of carbon neutralization on public publicity screens. Energy conservation and environmental protection propaganda slogans and posters are posted in all office areas and work sites of the Company; All departments carry out publicity, implementation and learning on energy conservation, emission reduction, and consumption reduction. Learning is performed through Enterprise WeChat and other ways; Project morning meetings and opening and closing meetings of teams are held to promote the concept and knowledge of energy conservation and consumption reduction, ensuring that all employees can actively participate in the activities.

During the reporting period,

all departments of the Company carried out **80** environmental protection trainings

with a total number of **4,618** participants

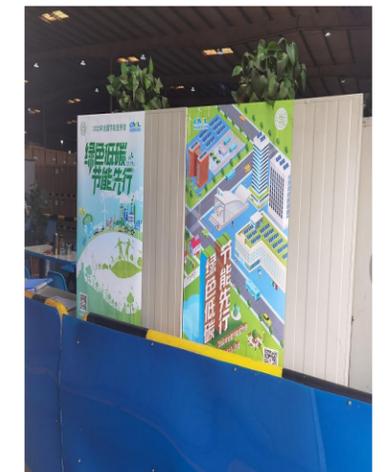
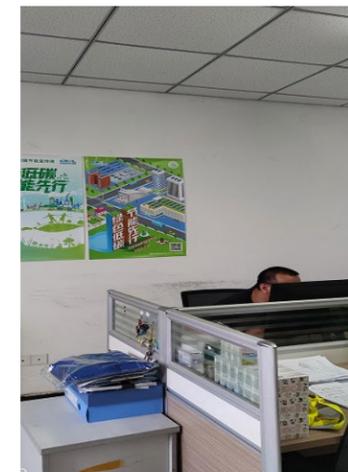
15 emergency drills for environmental emergencies

with a total number of **875** participants



Energy conservation publicity week of the Company

Each department of the Company carries out low-carbon publicity by organizing employees to participate in online question answering, offline poster publicity, and safety officer briefings based on its own actual situation. It extensively carries out publicity and education on energy conservation and carbon reduction, vigorously advocates green and low-carbon production method and life style, and publicizes good experience and practices in energy conservation and carbon reduction, industrial upgrading, energy conservation and efficiency enhancement, and pollution reduction and carbon reduction.



Creation of an Atmosphere for Energy Conservation Publicity Week by Posting Promotional Posters

Employees

Cultivate various talents

With regarding employees as the source of power and important competitiveness for the development of the enterprise and "contributor oriented" as its mission, and adhering to the basic concept of "people oriented", the Company strictly complies with national and regional laws and regulations such as *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, and *Social Insurance Law of the People's Republic of China*, formulates and implement systems such as *Regulations on the Administration of Labor and Employment* and *Implementation Rules of Labor Contract Management*, establishes standardized employment processes and salary systems, protects the legitimate rights and interests of employees, fully reflects inclusiveness and respect, creates a fair development platform, helps employees grow and become talents, pays attention to employee safety and health, and creates a positive work atmosphere, so as to empower business and employees to develop.

Build a diversified team 33

Broaden development channels 37

Protection for employees' rights and interests 35

Care for employees' health 39



72 college students



57 junior college students



206 interns are introduced to supplement fresh blood for the development of the Company



Build a diversified team

The Company abides by the legal requirements of the place of operation, establishes and improves the human resource management system, follows the principle of just, fair and open recruitment, introduces talents through multiple channels, and promotes the long-term development of the enterprise.

Equal and compliant employment

We adhere to the employment principle of "reasonable allocation, balanced demand, openness and justice and optimal cost", strictly follow the *Labor Law*, *Labor Contract Law*, *Tentative Provisions on the Payment of Wages*, *Social Insurance Law*, *Regulations on Worker's Compensation Insurance* and other laws and regulations, and establish management measures such as *Recruitment Management Measures*, *Contract Worker Recruitment Management Measures*, and *Labor Dispatch Management Measures and Labor Outsourcing Management Measures*, so as to improve the processization, institutionalization and specialization of employment management, standardize employment relations, resolutely eliminate employment discrimination due to age, gender, clan and other factors, and provide a fair, diversified and harmonious career platform.

Diversified talent reserve

We adhere to the employment principle of "open recruitment, double examination, selective employment and employment from inside to outside", introduce talents through multiple channels, and carry out diversified, multi-field, multi-level and multi-form talent reserve based on strategic development and business support.

New breakthroughs have been made in the talent mechanism



The establishment of a postdoctoral research workstation is successfully approved. Through cooperation with universities, industry associations, research institutes, and other institutions, 15 co-advisors are hired to build a talent gathering highland.

"Four hundred" talents plan has achieved new results



49 mature talents in key fields such as intelligent equipment, software, big data, packaging and market, and 26 high potential talents from universities, as well as intelligent equipment leading talents are introduced to provide strong power for the transformation and upgrading of the Company.

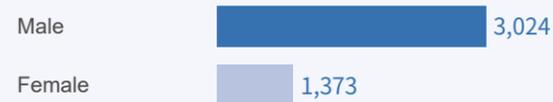
The reserve talent team is more solid



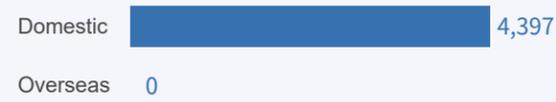
72 college students, 57 junior college students, and 206 interns are introduced to supplement fresh blood for the development of the Company.

Total number of employees (4,397 person)

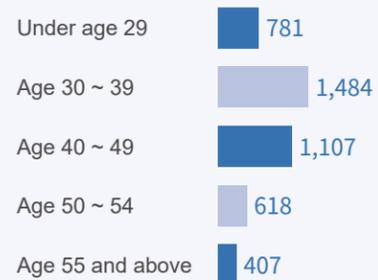
Total number of employees by gender



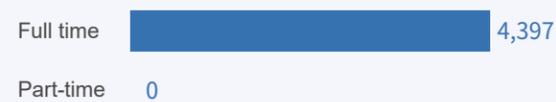
Number of employees by region



Total number of employees by age

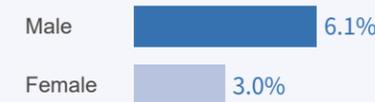


Total number of employees by employment type

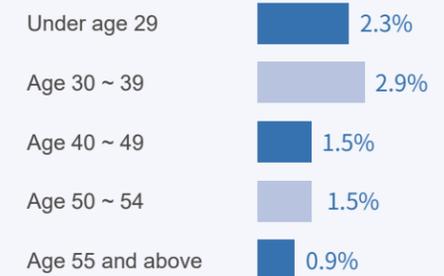


Annual employee turnover rate (%)

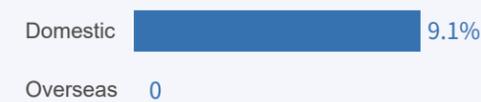
Employee annual turnover rate by gender



Employee annual turnover rate by age



Employee annual turnover rate by region



Protection for employees' rights and interests

The Company takes safeguarding the rights and interests of employees as its basic responsibility, strictly operates in accordance with laws and regulations, continuously supervises and corrects non-compliance behaviors, continuously optimizes the salary and welfare system, distributes reasonably, reflects the management concept of equality, and benefits all employees more fairly with more development achievements.

Avoid child labor and forced labor

We strictly abide by the *Law of the People's Republic of China on the Protection of Minors*, *Provisions on Prohibition of Child Labor* and other national laws and regulations, strictly control the age of candidates in the resume screening process, and clarify the working mode, working hours and other standards in the job responsibilities of recruitment. We also revise and issue labor employment management systems such as *Labor Outsourcing Management Measures*, *Labor Dispatch Management Measures*, *Temporary Employment Guidance Management Measures*, and *Measures for Labor Supplier Evaluation, Management, Incentive and Restraint*, clearly specify various employment standards and job conditions, reasonably allocate human resources, and establish harmonious labor employment relationships.

Employees' remuneration and welfare

The Company attaches great importance to the construction of employee salary and welfare system. Relying on the internal scientific and perfect human management mechanism, the Company has established the *Cadre Salary Management Measures*, *Enterprise Annuity Management Measures*, *Welfare Management Measures* and other systems and measures related to salary and welfare, and standardized and defined the standards and application rules of salary and welfare. In strict compliance with national requirements, the Company ensures employees' rights to obtain labor remuneration, labor protection and social security, rest and vacation, and provides employees with enterprise annuity to ensure their quality of life after retirement.



Employee salary management measures:



Broaden development channels

The Company is committed to building an employee growth platform, unblocking the promotion channel of employees, paying attention to the cultivation of employees' comprehensive quality, constantly improving the training management system, and realizing the common development of employee and enterprise.

Employee promotion

The Company practices the cultural concept of "contributor-oriented", takes value contribution as the guidance, combines incentive and restraint, establishes internal systems such as *Performance Management Measures*, *Attendance Management Measures* and *Qualification Management Measures*, creates a scientific and reasonable career development path for employees, and tilts honor, resource allocation and career promotion to employees with large value contribution, so as to realize the matching of income and development opportunities with their value contribution.

Improve management policies and systems

- Issue a notice on regulations related to the rank evaluation of management cadres, and optimize the *Management Procedures for Discipline Series Qualification Standards*, *Management Process for Grassroots Management Personnel*, and *Management Measures for the Evaluation of Professional Titles*

Carry out special management improvement

- Build a skills level certification management system for operational employees from scratch, issue the *Management Measures for Vocational Skills Level Certification*, and organize the first level certification of skilled talents;

Effect

- The first skills level certification work received a high degree of participation from the Company's skilled operators, with 234 participants, 118 certificate holders, and a passing rate of 50%;
- Carry out relevant professional title and qualification reviews. 36 employees have passed the professional title review (1 employee with principal senior professional title, 2 employees with senior professional title, 4 employees with medium-grade professional title, and 29 employees with primary professional title); 233 employees have applied for skills level certification for O-series, and 117 have passed the certification, with a passing rate of about 50%; 406 employees have applied for and passed the qualification review for P-series, including 376 certified as first level/senior level and 30 employees certified as current level; According to the review opinions of various PDCs and professional committees, 227 employees have been promoted, with a promotion ratio of 55.9%. This further promotes the ability enhancement of employees.

Employee training

The Company follows the *Advice on the Implementation of a Lifelong Vocational Skills Training System*, *Provisions on Safety Training of Production and Business Operation Units*, and formulates training management systems such as *Employee Training Management Measures*, *Training Management And Result Application Measures*, *Annual Training Plan Management Process*, *Employee External Training Process*, *Annual Training Plan Management and Education Expenditure Standard* in combination with the actual situation of the Company, so as to effectively, clearly and systematically plan the training work, stimulate the learning motivation of all employees, and implement the talent development project.

The Company implements the management concept of lifelong learning, teaching for needs and linking work at selected spots with that in entire areas from three aspects: system construction, training operation and awareness improvement.

Training and operation

- Make an investigation of "three abilities" (namely, leadership ability, management ability and cultural ability) based on the "three abilities" educational materials, output personal radar charts, carefully plan 5 training programs on 5 themes of leadership and 6 themes of management to assist in the construction of the 100 management cadre project, and carry out 11 sessions of training for managers and above, covering 11 themes, with a cadre coverage rate of 100% and a qualification rate of 94%;
- Plan training objectives, content, and evaluation mechanisms for different stages of "integration period - qualifying period - development period", and quickly drive the transformation and growth of new talents into strategic reserve talents required by the Company by using the "horse racing and horse evaluating" mechanism. In 2022, 53 "Xingyao employees" and 52 "Xingrui employees" were trained. They have completed the training of the integration period, and are currently in the training of the qualifying period;
- Iterate the training process for new employees under social recruitment, strengthen three-level training, and implement "online + offline" comprehensive training. In 2022, three sessions of new employee training were implemented, covering 165 person-times, with an overall coverage rate and qualification rate of new employee training of 100%;
- Focus on high-quality development strategies and six key business areas such as profitability and market development, and work together to improve business. The maximum value of a single project was more than RMB 7 million, and two projects exceeded the target by 50%;

Awareness rising

- The Company opens an executive training class for the first time, which aims to forge a team of entrepreneurial talents by self-awareness and team guiding, recognize and understand coaching techniques through experiential training, and deepen the in-depth development of personal leadership and the use of coaching techniques by one-on-one guidance;

Special training

- Participate in on-the-job training, on-the-job promotion, and all-round knowledge and ability training based on KET standards, with a qualification rate of 100%;
- In 2022, vocational skills training and level certification for forklift post are carried out, with a total of 233 employees signing up, including 81 for primary post, 137 for medium-grade post, 9 for senior post, and 6 for technician post;
- Special training of company-level internal trainers: Based on the development demand for training resources in the annual training plan, the Company stimulates a large number of employees who are willing to share and professional and profound to participate in the internal trainer program in the form of internal recruitment. The Company organizes the training of *Building Hot Courses with Five Steps* by combining online training camps and offline workshops, empowers 30 probationary internal trainers with course development capabilities and presentation skills, develops 31 internal courses, cultivates 28 new trainers, and promotes 5 internal trainers.

Indicator name	Unit	2022	
Total sessions for employee training	Times	1,901	
Total person-time for employee training	Person-time	326,756	
Trained employee percentage by gender	Male	%	100
	Female	%	100
Percentage of employees participating in training by type	Managers	%	100
	Specialists	%	100
	Operators	%	100
The average training hour completed per employee	Hour/person	39.83	
The average training hour completed per employee by gender	Male	Hour/person	55.92
	Female	Hour/person	23.72
Average hours of trained employee by employee category	Senior management	Hour/person	43.94
	Intermediate management	Hour/person	138.18
Average training hours of employee by types	Managers	Hour/person	135.42
	Specialists	Hour/person	29.20
	Operators	Hour/person	14.24

Care for employees' health

The Company focuses the work-life balance of their employees, pays much attention on enterprise humanistic care, solves employees' difficulties met in life, cares the physical and mental health of female employee, shows loving care for expatriates and their family members, helps and consoles employees suffering difficulties, organizes and carries out the "Nordic Walking" and other colorful recreational and sports activities for employees, so as to make them feel the warm of "Home".

Work safety

The Company adheres to the management concept of "When Rules are Internalized, Dangers are Controlled", strictly abides by the Law of the People's Republic of China on Work Safety, Fire Safety Law and Administrative Measures of Emergency Plan for Work Safety Accidents, and establishes internal systems such as Occupational Health, Safety, Environmental Protection, and Fire Protection Accountability System, Occupational Health, Safety and Environmental Management Performance Evaluation Measures, Work Safety Accountability System and Safety Management Measures of Relevant Parties, one-time passes the national level supervision audit of GB/T45001 Occupational Health and Safety Management System for Year 2022, and provides the Company with the conditions and basic qualification necessary for production and operation, showing positive image and social responsibility of enterprise. The detection of occupational hazard factors was conducted in March, without items exceeding limits. The tires sub-assembly branch declared the occupational hazard for relevant key controlled items, and submitted to relevant departments for auditing and filing.

The Company established the sound management and issuing system for labor protection appliances, issued sufficient labor protection appliances according to actual demands, so as to protect the occupational health of employees. 3 employees participated in and completed the continuing education training for holder of occupational health management certificate, and have passed the annual audit successfully in September.

Safe construction

Safe management

Risk elimination

Emergency management

Safety education

One-time pass the national level supervision audit of GB/T24001, GB/T33000 and GB/T45001 system in year 2022, increasing the effective operating of safety, environment and quality management system. 16 problems and 16 suggestions (including the common contents) were put forwarded in the audit of GB/T24001 (occupational health and safety), GB/T33000 (work safety standardization) and GB/T45001 (environment protection), including 14 slight non-conformance, 16 observable items and 2 problems.

One-time pass 2022 HSE system audit of China Changan. 86 problems were put forwarded in HSE system audit of China Changan, which is reduced by 48% compared with that of Year 2021; the conformance rate of system is 80.64%, which is increased by 5.41% compared with that of last year, smoothly achieving the goals set by the superior.

Continual optimization of the system management documents at the company level. There are 2 documents added newly, 34 documents revised and 2 documents merged and abolished in the whole year, with the optimized quantity accounting for 69%.

Continuously improve the potential hazard identification and control process system. All staffs (including the employee at front line and the principal leaders of the Company) participated in the supervision and inspection through spot routing inspection, routine safety inspection, various special inspections, and the instant snap by all staffs. The potential hazard identification and control responsibilities are defined in the post responsibilities system, so as to ensure that all staffs participate in the potential hazard identification and control.

Establish and improve the hierarchic prevention and control and the potential hazard governance system of the Company strictly in accordance with the requirements of *Opinions by the Office of the Work Safety Commission of the State Council of Implementation of Operating Instructions and Building the Dual Prevention Mechanism to Restrain the Major Accidents (AWB [2016] No. 11)*. The Company organizes twice potential hazards identifications for whole scope and complete production and operating activities and processes every year, preferentially takes the intrinsic safety measures, and prepares the risk management map according to relevant requirements to clear the safety management leader of each risk point and the requirements of management scheme. Organize the training for all employees, so as to ensure the risk controlled.

Carry out in-depth potential hazard identification, comprehensively investigate all kinds of potential safety hazards, find problems, and make changes.

Establish the sound emergency plan and the exercise plan of emergency plan, and organize the exercise at regular intervals. All employees participated in 97 exercises in 2022, including vehicle injury, falling accidents, fire treatment, etc., with the number of employees organized of 5,243.

The Company obtained the emergency plan filing registration on January 24, 2022 at Chongqing Liang Jiang New Area Emergency Management Agency, with the filing No. of 500144--2021--0335.

The Company conducted the special rectification for the "Go through the Motions" of safety production training from March to October, 2022 to strengthen and specify the safety training management, and practically improve the safety awareness and skills of employees. The Company conducted the thorough self-inspection on condition of safety production training (including the related parties) since January 2021, among which, 338 problems were found, with the rectification completion rate of 100%. The Company completely verified the professional qualification certificate of operator (including the related parties) of the special equipment, and 1,058 persons are checked, with the conformance rate of 100%.



Occupational health

The Company follows the *Law of the People's Republic of China on Work Safety*, *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, *National Occupational Disease Prevention Plan*, *General Principles for Evaluation of Occupational Hazards* and other policies, implements the policy of "prevention first, prevention and treatment combination", clarifies various occupational health management systems, implements the pre-job, on-the-job and off-the-job occupational health examination of employees involved in occupational hazards, and pays in full for employee health protection, equipment and facility investment and other expenses to ensure that employees are not affected by occupational diseases in production services. During the reporting period, the Company carried out annual monitoring of occupational hazard factors, and the occupational hazard factors of all posts did not exceed the standard. There were no occupational health cases in the whole year.



Employee care

The Company is always committed to improving employees' happiness index and encouraging employees to "work efficiently and live happily". The Company regularly carries out recreational and sports activities to promote the normalization and diversification of activities and to stimulate employees' enthusiasm and motivation. At the same time, the Company cares about employees and regularly carries out festival greetings and birthday greetings to warm employees.



Employee "Brisk Walking" Activities



"CMAL" Cultural and Art Festival



Care for Female Employee - Rose and Book Activities



Dragon Boat Festival Visiting Activities



"International Women's Day" Activities



"International Women's Day" Activities



Industry

Realize win-win cooperation and walk hand in hand with partners

With the mission of "innovative logistics service makes life better", and with a focus on customers, the Company works with customers, partners, supply chain partners and other stakeholders to achieve mutual integration and commensalism, mutual benefit and win-win results while continuously realizing its own business development.

Innovation in logistics solutions	45
Improve quality management	50
Upgrade customer service experience	51
Build a responsible supply chain	53
Promote industrial development	55



Number of product and service complaints

14 piece



Resolution rate of complaints

85.70%



Customer satisfaction

96.87%



Innovation in logistics solutions

In order to adapt to change in future logistics industry, the Company strives to make core technological breakthrough of the logistics by focusing on the digitization, the informatization and the greenization. Taking the building of “High Efficiency” and “High Technology” of the Company as the orientation, and regarding the “Process Drives the Collaboration, Scientific Technology Enables the Business and Intelligence Creates the Values” as the key points, the Company aims to establish the market-oriented technology innovation system with deep combination of IUR (Industry-University-Research). The Company quickens the transformation and upgrading with the scene driving, and makes great efforts to stride towards the “World-class Green Intelligent Supply Chain Logistics and Technology Company”.

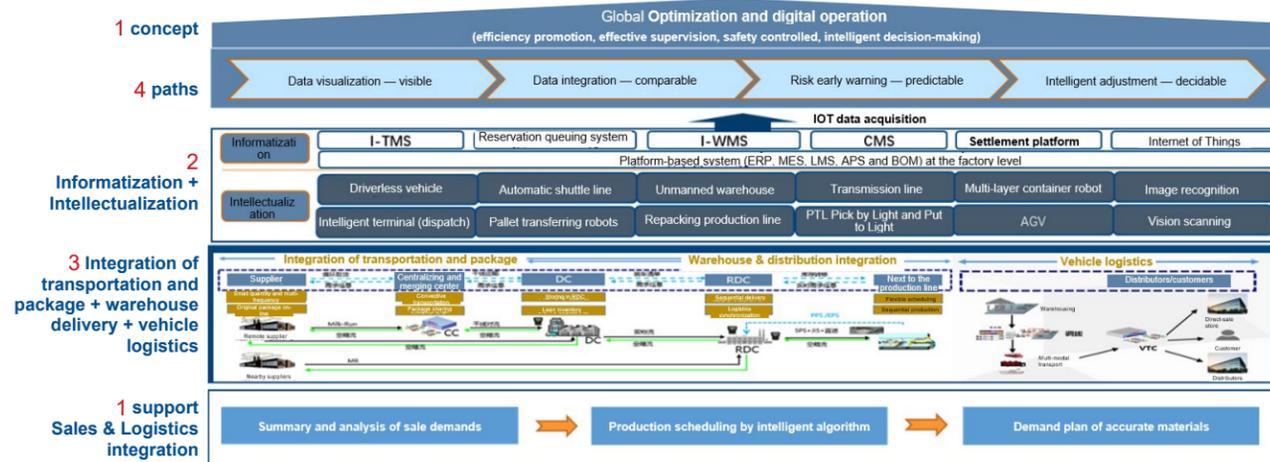


Excellent Innovation Case of Automobile Logistics Industry” by China Automotive Logistics Association of CFLP

Promote the intellectualization of logistics operation

The Company carries out the intelligent construction by focusing on the scene of logistics operation, so as to achieve the goal of supply integration, quick cooperation, excellent delivery, digital and intelligent logistics, and finally realize the low cost and high efficient intelligent logistics mode by bringing in the new planning methods, logistics mode, intelligent device, information architecture, and other manners.

Intelligent Logistics Framework of the Company



The Company vigorously develops the integration solution of intelligent equipment and intelligent logistics, as the important manners of transformation and upgrading of high-quality development, and carries out the intelligent construction by focusing on the scene of logistics operation.

- The intelligent pallet transferring robot

it consists of pallet robot, networked glass fiber pallet and intelligent circulating material box. It is applicable to the intelligent handling of material in all industries, the automatic in-and-out-of-storage management, the intelligent tracing of container, etc., making the transferring more simple and high efficiency, realizing the seamless connection of material receiving and warehousing, the intelligent identification, picking up, handling and storage of goods, as well as the flexible dispatching of various containers, building the intelligentization of the whole process, and helping the enterprise reduce the cost and increase the profits.
- Big intelligent screen

the transportation monitoring system in transit is set up based on the “Hawkeye Map” and vehicle-mounted terminal intelligent box, realizing the visualization monitoring of the whole transportation process. The professional map platform in vertical fields of vehicle logistics is set up, thus the vehicle can be traced by the node visualization and returning point information of vehicle node, building the vehicle logistics with “Express Type” service.
- Warehouse delivery center

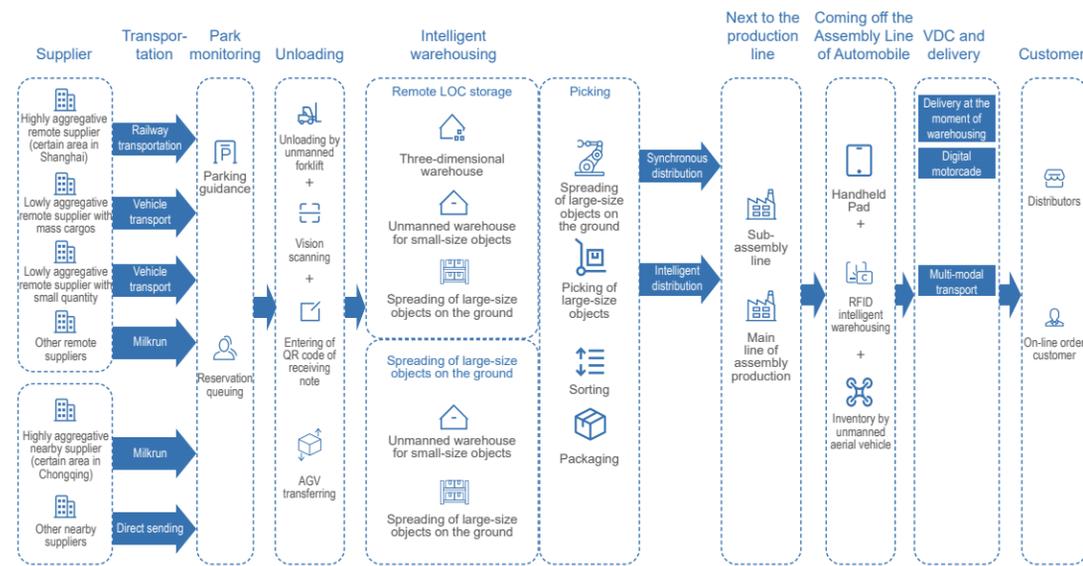
it relies on the supply chain integration, logistics network node and other platform advantages, and launches the new service product “Warehouse Delivery Center”. The digital and intelligent delivery service with visible process, data and experiences are provided at the moment of meeting the personalized service demands of the customers.
- Network freight platform

the optimal high-efficiency logistics transportation service platform of “Goods and Person” is set up in the manner of “Logistics + Internet”. Relying on the national logistics network and sources, the platform integrates the social goods owner and transport capacity source by utilizing the mobile Internet, cloud calculation, IoT, big data, block chain, and other advanced technologies, realizing the logistics transportation of upstream and downstream enterprises of the supply chain, the merchandise trade, payment and settlement, financial service, and other platformization development.
- Overall solution of intelligent logistics

based on the whole work process, it provides 9 kinds of intelligent products, such as the intelligent monitoring, loading and unloading, storage, handling and picking, etc.; by the AI and information technology manner, it realizes the integrated application of multibody equipment for the customer, and provides them with “one-stop” intelligent logistics overall solution, helping the customer realize the transformation of management mode of supply chain.

Planning for New Factory in Yubei District - Building the World-leading “Intelligent Logistics Factory”

By taking the “Double Reduction” and “Digital Intelligence” as the main goals, new factory in Yubei District of the Company builds the “Intelligent Logistics” factory through the built-in warehouse and other innovations with the assistance of vision scanning, unmanned warehouse delivery, three-dimensional warehouse, other intelligent items, digital twin, i-TMS, i-WMS, CMS, and the information system of whole process.



Operating Mode of “Intelligent Logistics” of New Factory in Yubei District of the Company

Promote business-finance integration project

In 2022, the business-finance integration project phase II was evaluated and examined and accepted. At present, there are 43 items unsolved in the business-finance integration project phase II, among which, 32 items are the demands of business optimization, 6 items are system defects, 4 items are the business process optimization, and 1 item is the interface optimization. Aiming at problems of the system, the finance sharing system supporting for the business-finance integration project has been started up, and optimization will be conducted soon.

<p>43 items unsolved in the business-finance integration project phase II</p>	<p>32 items are the demands of business optimization</p>	<p>6 items are system defects</p>
<p>4 items are the business process optimization</p>	<p>1 item is the interface optimization</p>	

Improve green packaging technology

The Company is committed to improving green technology and packaging technology. The Company conducts customer demand research, improves packaging product service technology to meet customers' packaging needs in different business scenarios; builds a joint innovation platform of “two cities and three places”, carries out scientific research, advanced research, laboratory construction, knowledge precipitation and capacity building, as well as rapid development of digital intelligent packaging products and platforms; studies the twin carbon “1 + N” policy system through rapid learning and discussion, forms the Company's green development report and explores the road of green logistics development.

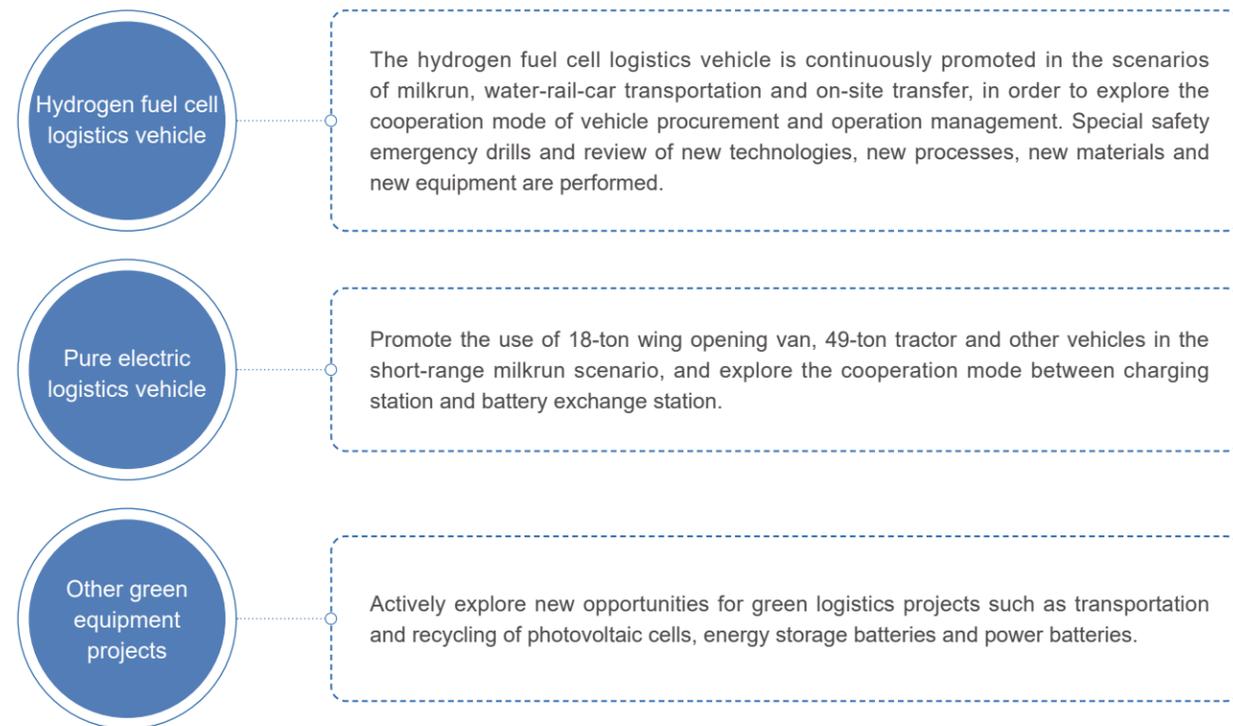
Specific measures of green package:

- For the package of production part, the package overall solution was applied and promoted relying on the Yubei and Nanjing base in the system, preliminarily establishing the design, manufacturing and operating capacity of entire package of new energy automobile (represented by C673).
- In the design aspect, complete the package database 1.0 and establish the standardization design step navigation 1.0, which increase the design efficiency by 5% and reduce the transportation packing volume of unit parts by 25%, with the universalization rate of package design of 70%. In the manufacturing aspect, self-manufacturing capacity of the package is enlarged to 30 thousands sets from 5 thousands set every year;
- For package of KD objects, complete the drawing optimization of package of KD objects transported by CS15 and B316 container, increasing the loading efficiency by 11%.
- Set up the construction of package cloud platform: set up the package platform of the Company with Fuyong as the core, determine the package cloud platform framework and blueprint, which indicates that the construction of package cloud platform gets on the track. Establish the “1+1+3+N” management mode. Intensively manage the package sources and the elements of the Company, so as to increase the market competitiveness and build the new profits growth pole of the Company.



Promote green equipment project

The Company continues to promote green equipment projects in three directions to realize the exploration and application of green equipment in the Company's business, focusing on the hydrogen fuel cell logistics vehicles, including pure electric logistics vehicles and other green equipment projects.



Promote the application of hydrogen fuel cell logistics vehicles

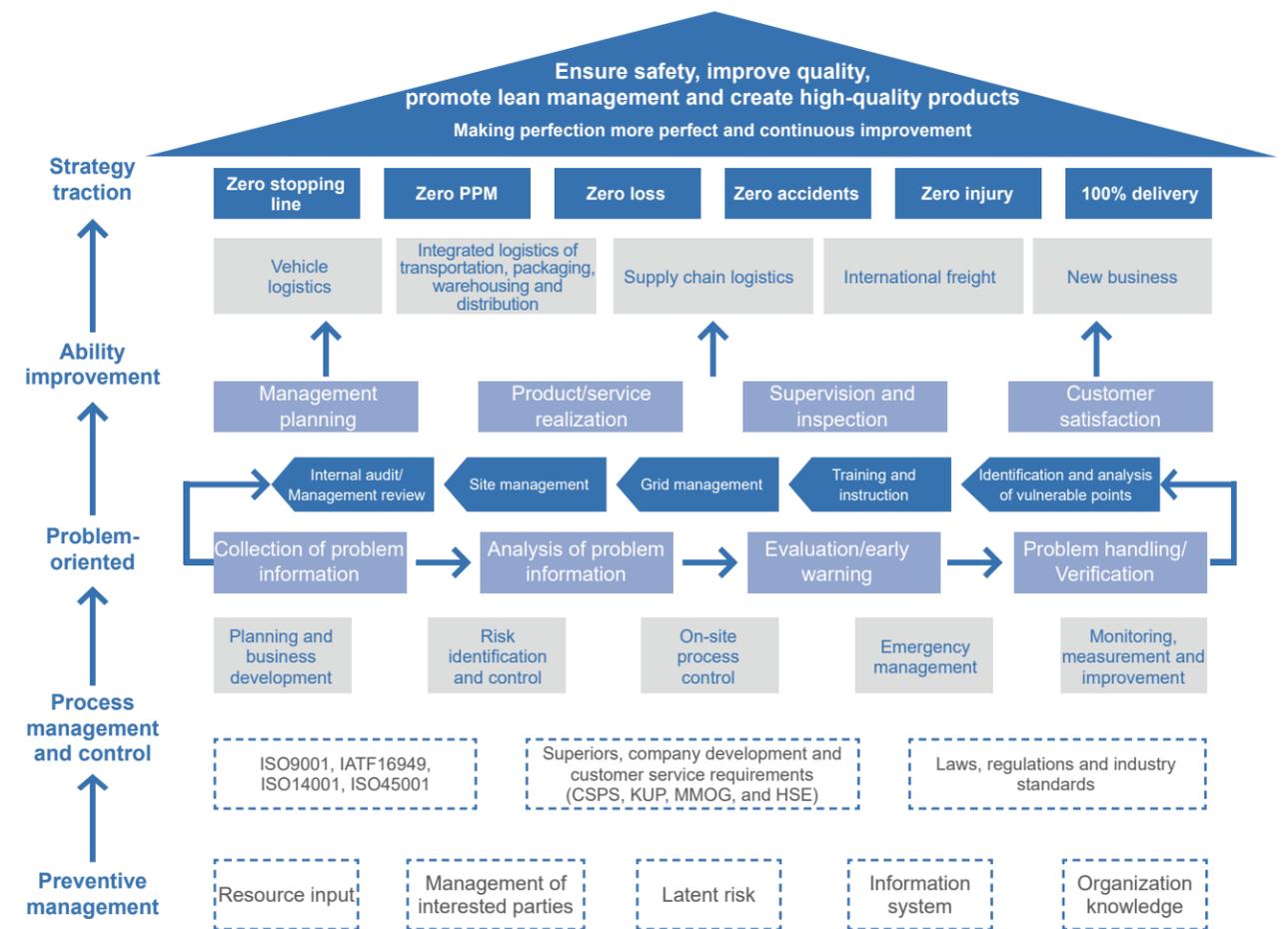
In 2022, the Company developed hydrogen fuel cell logistics vehicle in such scenarios as milkrun, water-rail-car transportation and on-site transfer, including 18-ton wing opening van, truckload car carrier, 49-ton tractors, and forklifts. The hydrogen fuel cell logistics vehicle project has achieved good results in environmental, economic and safety management:

- Hydrogen fuel cell logistics vehicles can realize clean and low carbon emission and is environmental-friendly. This green transportation based on this advantage will become an important symbol of the Company's green logistics, becoming a green leader in relevant industries and a benchmarking effect, and helping develop the high-end market of logistics vehicles;
- The hydrogen fuel cell logistics vehicle consumes low energy during transportation, and the overall annual cost of a single vehicle can be reduced by 5% compared with the fuel logistics vehicle;
- The hydrogen fuel cell logistics vehicle have a low failure rate, low frequency of repair and maintenance, and short time consumption for single maintenance, which can better complete normal logistics and transportation tasks and improve transportation efficiency by 10%;
- Relevant technology and experience are reserved in advance to cope with the green and low-carbon requirements of the main engine plant on the supply chain.

Improve quality management

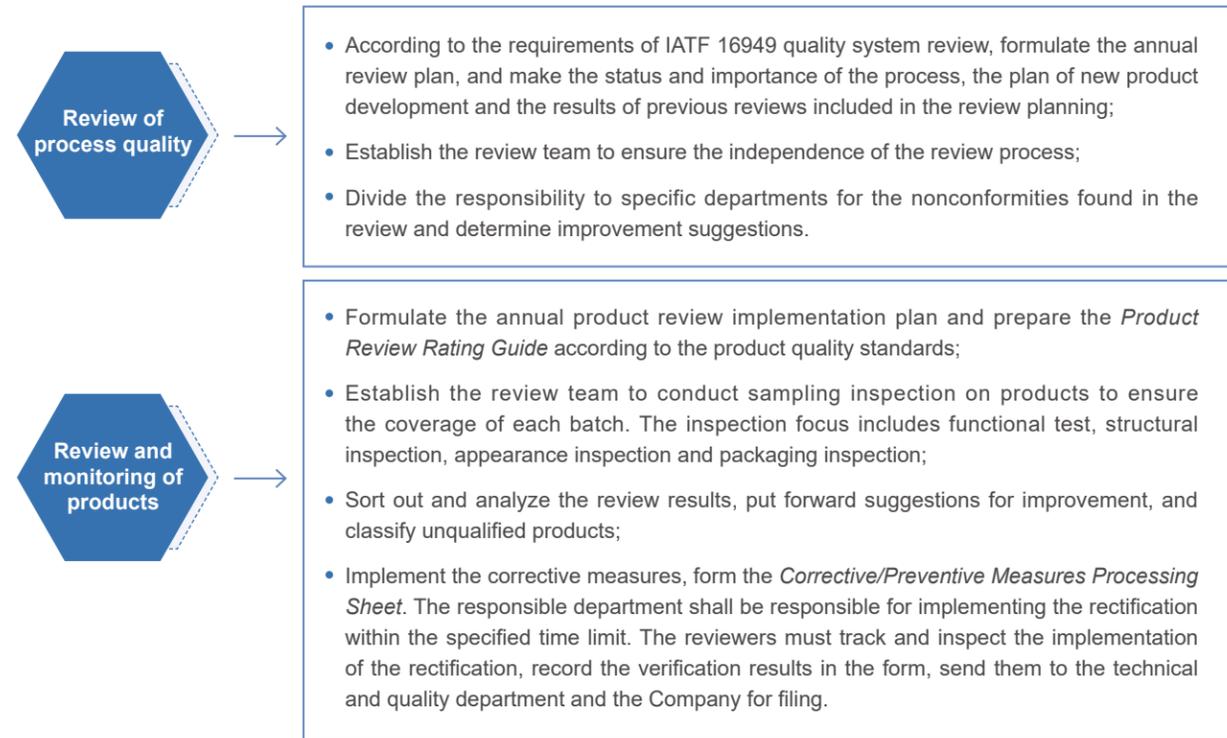
In accordance with the requirements of ISO9001 and other international standards, the Company formulates management systems such as *QHSE Management Manual*, *Quality Risk List*, *Internal Audit Control Management Process* and *Management Review Management Process* to fully implement quality management.

For the quality, occupational health and safety, and environmental protection management (QHSE) system, the Company, with the customer-centered principle, implements the "Four Alls" (namely, all for customers, all for the market, all for the front line, and all for growth) under the guidance of "1136 plan for daring to create career", pays close attention to basic management and implements it to teams, and ensures the production and operation of the enterprise through lean improvement and safety assurance, promoting high-quality development. At the same time, in accordance with industry laws and regulations, ISO9001, IATF16949, ISO45001, ISO14001, and customer special requirements and industry standards, with the improvement of the system as the main line, risk management and problem-oriented as the core, the Company comprehensively implements the quality and safety management principles of "excellence in quality, customer satisfaction; when rules are internalized, dangers are controlled", and gradually achieves the goal of "zero accidents, zero defects, zero errors, zero violations, and zero complaints".



Logistics Quality Assurance System of the Company

In addition, the Company has taken a number of measures to ensure service quality and build "quality logistics".



Upgrade customer service experience

Enhance services quality

The Company adheres to customer-oriented principle, implements the "Service Leading Strategy", carries out customer service management with the concept of "breakthrough, surpassing and moving", continues to innovate logistics services, strengthens communication with customers, and implements continuous customer tracking management.

The Company has developed internal systems such as *Customer Problem Handling Process* and *Customer Problem Handling Management Measures* to clarify customer problems, complaint handling methods, and assessment systems. It conducts assessment and accountability for customer complaints, ensuring that customer complaints can be handled in a timely and effective manner, with specific responsibilities assigned to individuals, and strict assessment to promote service quality improvement and achieve service leading.

• Understand service positioning and create a cultural atmosphere

The Company persevered in the "five service commitments" (entrusted with confidence, timely response, accurate delivery, overall optimal and customized services) and determined the service objectives of "three savings and one increase" (worry saving, time saving, money saving and value-added) to create a service leading atmosphere throughout the Company and strengthen the implementation of Grass-roots Service Culture.

• Actively listen to customers and establish an open and transparent mechanism

The Company has established a smooth communication channel, and set up customer hotlines and mailboxes. Specially-assigned persons are responsible for receiving and handling customer complaints and other issues. A good cooperative relationship with customers shall be kept to actively listen to customers' voices, respond to customers' needs in a timely manner, transfer the corresponding handling mechanism and situation to customers in place, and inform customers of all the information they need to know frankly and transparently.

• Ensure the quality of research and define the quality by customers

Conduct customer satisfaction survey and return visit work every quarter. Take the initiative to survey the customers of each base, fully identify customer requirements, assess and rectify the problems fed back by customers in strict accordance with the management measures, and report the rectification in the next quarter's survey. In 2022, the annual customer satisfaction is no less than 93.5 points, and the annual overall goal has been achieved.

• Upgrade the service system and provide differentiated personalized services

The Company has optimized and upgraded service system, formulated and implemented a customer service model of "complaint accountability" and "customer manager system", paid further attention to customer service complaints, and formulated customer service plans in the event of various abnormalities and emergencies.

The Company conducted hierarchical management for customers, accurately evaluated customer demand levels, provided different service quality and methods for customers at different levels, shorten the service quality gap expected by different customers, effectively allocated service resources, and provided differentiated high-quality services to customers.



2022 Excellent Suppliers of Changan Automobile



Logistics and Supply Chain (China) Solution top50



Schaeffler 2022 "Best Delivery Award"

Number of product and service complaints

14 piece

Resolution rate of complaints

85.70%

Customer satisfaction

96.87%

Customer privacy protection

Under the background of intelligence and informatization, the Company attaches importance to personal Privacy Protection, constantly upgrades technology and strengthens supervision. The Company strictly abides by *Law of the People's Republic of China on Guarding State Secrets*, *Anti-Unfair Competition Law of the People's Republic of China*, *Law of the People's Republic of China on Guarding State Secrets* and other relevant national laws and regulations, formulate management measures for the protection of trade secrets and *Technical Standards for Document Classification*, optimizes and improves the confidentiality management process of trade secrets, and improves the confidentiality work control requirements. The management scope covers the confidentiality management process for confidential meetings and activities, the confidentiality identification management process, and the management methods for confidential personnel. The Company fully implements customer privacy protection, protects business secrets, and safeguards customer interests.

The Company continued to promote the scientization of confidentiality work and the institutionalization of confidentiality management, building a solid foundation for the systematic confidentiality work. All departments of the Company implemented the deployment and arrangement of confidentiality work, solidly carried out security and confidentiality work, and achieved the work goal of "0" for major disclosure events. The Company continuously enriched the confidentiality team and strengthened the confidentiality awareness of personnel.



- The Company carried out the training for the person responsible for classification, publicized and implemented the working principle of "minimization, whole-process and precision", emphasized the clear rights and responsibilities, sufficient basis and standardized procedures, and timely and accurately implemented confidentiality work.
- The Company organized relevant personnel to receive confidentiality knowledge training and build a solid security defense line. In view of various types of confidentiality risk points, detailed explanations were conducted around basic common sense, management regulations for confidential carriers and personnel, and daily information equipment usage specifications to strengthen a comprehensive and three-dimensional concept of confidentiality and security and resolutely not touch the "red line" of confidentiality and security.

Build a responsible supply chain

Regarding suppliers as an important resource for its own development, the Company established and improved systems such as the *Supplier Admission Process*, the *Supplier Evaluation Process*, the *Supplier Removal Management Process*, the *Supplier Dynamic Management Process*, completed the optimization of supplier management system with supplier management logic based on "sourcing access - evaluation application - elimination and cleaning", clarified business logic and rules, gradually improved the use of supplier resource base, established a supplier "selection, cultivation, use, elimination and training" management system, formed a supplier life cycle management, strengthened the effective selection, review and audit of suppliers, and improved the response management of environmental and social risks of suppliers to stabilize the supplier team, improve the quality of suppliers and establish a long-term mutually beneficial relationship between supply and demand.

Concerned about the environmental and social risks of suppliers, we incorporate the requirements of compliance with laws and regulations and action measures on environment, work safety and occupational health into the supplier access standards and evaluation standards, giving priority to the use of raw materials conducive to environmental protection and suppliers who practice environmental protection, resource conservation, safety and health and other sustainable development strategies to build a green supply chain.

During the reporting period, we preliminarily established a supplier "selection, cultivation, use, elimination and training" management system, forming a supplier life cycle management. A total of 633 suppliers were evaluated by 20 business units and 9 functional centers, including 490 production suppliers, accounting for 77% of the total evaluation, and 143 non-production suppliers, accounting for 23% of the total evaluation. 11 suppliers were eliminated by category, and 27 suppliers were listed in the Company's enterprise-level blacklist database for management to continuously purify supplier resource pool.



Efficient management

We have built a procurement and resource platform, helping to carry out supplier management efficiently through procurement informatization. At the same time, we have completed supplier online collaborative access, pricing, orders and other business, which effectively shortened the procurement cycle, realized the integration of information and resources, improved the transparency of supplier procurement process through unified standardized management and strengthened transparent purchase.



Sourcing and access

Classified management: we classified suppliers in combination with procurement type, market supply risk and procurement expenditure, clarified the cooperation and management mode with five types of suppliers to avoid potential risks and ensure the stability of the supply chain;

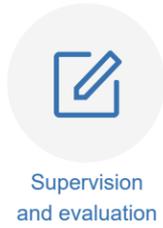
Strict audit: there are full-time departments to standardize the access audit process. The whole process includes 8 key audit nodes, up to the audit and approval of the general manager, and an evaluation team consisting of the relevant business departments, supplier management departments and procurement management departments jointly comprehensively evaluate the comprehensive ability of suppliers according to the access requirements;

Implementation of blacklist system: after the blacklist of two-level suppliers of the Group is released, the units listed in the blacklist of enterprise-level suppliers shall strictly be forbidden to enter the supplier library.



Compliant procurement

Adhering to the principle of "openness, fairness, impartiality, honesty and trustworthiness", implement transparent purchase, require suppliers to sign the integrity agreement in the contract and strengthen the code of conduct in all aspects of procurement.



Supervision and evaluation

Daily evaluation: the full-time department and user department shall conduct monthly evaluation and assessment on the daily operation KPI and performance of suppliers (transportation, warehousing, outsourcing, agency and key non-production) according to the business operation requirements;

Dynamic assessment: strengthen the comprehensive management and assessment of suppliers' problems in product and service quality level, on-site installation and commissioning and on-site management, business cooperation ability, cost competitiveness, contract performance and so on;

Timely rectification: supervise and guide suppliers to improve negative behaviors found in the process of daily and dynamic evaluation in time to reduce and eliminate risks, ensuring that suppliers meet the requirements of service, quality, delivery and business of the Company, and realizing supplier dynamic management and supplier support and integration.



Performance management

In combination with the characteristics of the industry, we carry out the annual evaluation of suppliers regularly. The full-time department complete the screening of the annual evaluation supplier list, and then organize the annual scoring of suppliers according to the annual evaluation standards in multiple dimensions (daily operation KPI + dynamic evaluation + supplier growth) to form a survival of the fittest mechanism, establishing a stable and reliable supplier system, and continuously optimizing the existing supplier resource pool to meet the production and operation requirements of the Company.

Indicator name		Unit	2022
Total number of suppliers implementing relevant practices		Nos.	1,210
Number of suppliers by region	Mainland China	Nos.	1,192
	Hong Kong, Macao and Taiwan (China)	Nos.	17
	Overseas areas	Nos.	1

Promote industrial development

Adhere to technology empower

With the direction of building "high-tech" CMAL and advanced benchmarking, the Company established a fine and lean standardization system to actively seek cooperation and focus on cultivating core strength.



Build a science and technology management system

We have comprehensively constructed and improved a scientific and technological management system to support the steady development of scientific and technological innovation work, including a scientific and technological research and development management system, linking external resources to breakthrough earlier technologies, and developing subsystems; based on maintaining and deeply referencing other comprehensive management system standards, the technology comprehensive management system strengthened product management and assisted in internal control and audit management; the scientific and technological knowledge management system focused on building a scientific and technological knowledge database, synchronizing the experiences and lessons learned from the entire process of developing existing main businesses and incremental new businesses; the scientific and technological talent management system accumulated energy for creating a highly sophisticated and versatile talent team.



Demand-driven and accurate breakthrough

We adhere to the problem orientation, strengthen the research and top-level design of various requirements, vigorously cooperate with OTD delivery for the ultimate requirements of vehicle storage, delivery and transportation efficiency, reform the original business model through the combination of intelligent hardware, algorithm model and information system, and strengthen strategic coordination with customers.



Strive for independence and self-improvement and core controllability

We gave priority to the research and promotion of core technologies in terms of the focus and resources of scientific and technological innovation, increased the independent research and development of core technologies to get rid of limits, achieved breakthroughs around the core scenarios and core technologies of industrial logistics, and strove to promote the transformation, pilot application, replication and promotion of scientific and technological achievements.



"Industry-University-Research-Application" ecological cooperation

We fully absorbed the intellectual resources of colleges and universities, scientific research institutes, core technology leading enterprises and industry associations for our own use, strengthened external contact and cooperation and internal guidance, and joint project research based on projects and core technologies, shared laboratories, promoted Industry-University-Research technology exchanges and cooperation in cooperation with research institutes and other forms, focusing on the core and high-end, and attached importance to the transformation and application of achievements to enrich and improve the company's scientific and technological R & D system and ecosystem construction.



Building core competitiveness

We attracted excellent teams relying on the scientific and technological innovation platform, built core teams relying on major tasks and projects, achieved accurate breakthroughs in core technologies, created a fair, inclusive and open scientific research environment, improved the incentive mechanism for scientific and technological talents, innovated the selection, employment and education mechanism, provided a relaxed atmosphere for the sustainable development of scientific and technological talents, and gradually formed an innovation culture that respects science and technology and puts science and technology first.



Fruitful S&T accomplishments

The Company was recognized as a national high-tech enterprise, and the number of intellectual property applications and authorizations increased steadily, making the transformation of scientific and technological achievements a powerful engine.



Logistics Technology Innovation Case Award



Science and Technology Progress Reward



Intelligent project "P.G. Logistics Award"



Excellent Case Award for Innovative Application

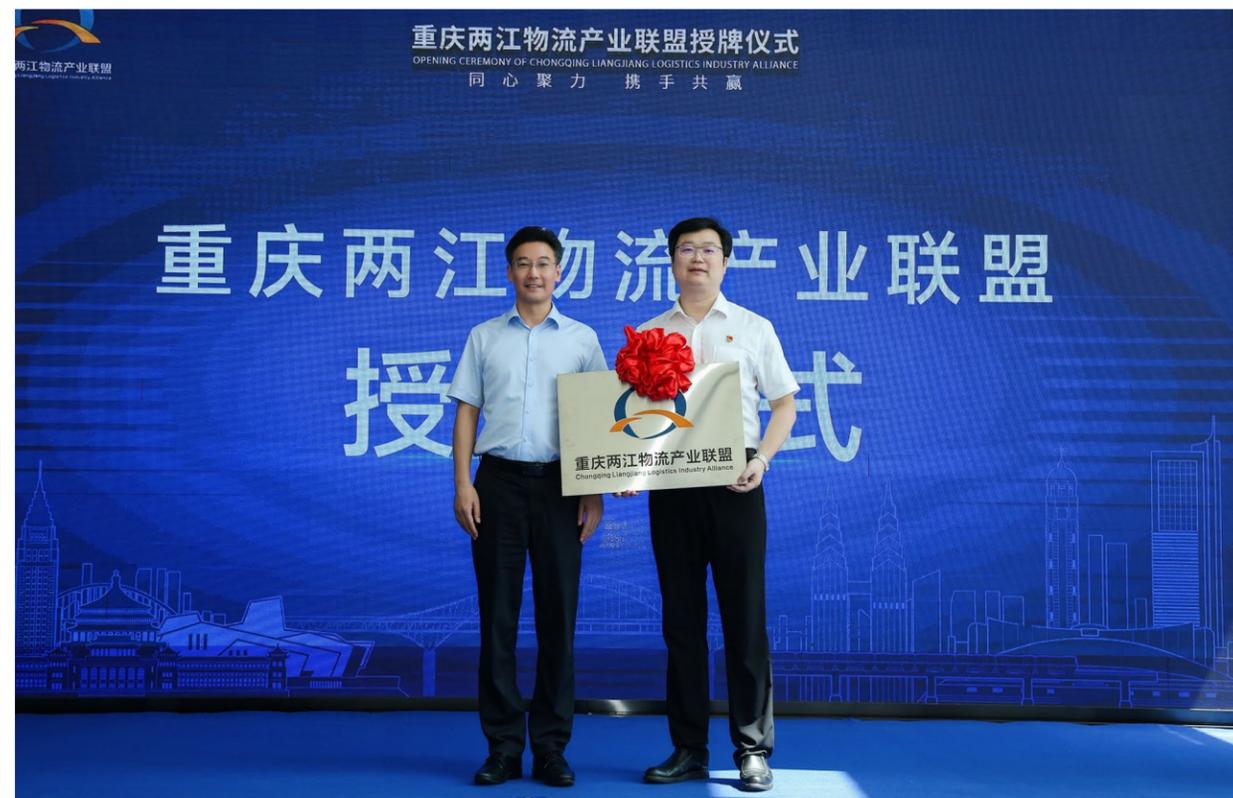
Fruitful S&T accomplishments

In 2022, the Company won the honors of National Intellectual Property Advantage Enterprise, Chongqing Postdoctoral Research Workstation, Chongqing Worker Pioneer, etc. The Company has applied for 220 intellectual property rights, owned 89 effective patents and 66 software copyrights, successfully ranking the leading position in the industry. The Company won one second prize of 2022 National Innovation Achievement Award, one first and second prizes of the Chongqing Management Innovation Achievement Award, two items of CFLP Logistics Technology Innovation Case Award in 2022, one third prize of the Science and Technology Progress Award, one excellent case of Intelligent Logistics Technology and Equipment Innovation Application, and one third prize of the CFLP P.G. Logistics Award in 2022. The scientific and technological innovation ability has been recognized by many parties.

Contribute to industry progress

This year, the Company has joined four industry associations, namely Chongqing International Logistics and Port Service Association, China Power Battery Recycling and Ladder Utilization Union, China Automotive Logistics Association of CFLP, and China Federation of Logistics & Purchasing (CFLP). In addition, the registration of the logistics industry association in Liang Jiang New Area was completed with the Party and Government Office as the leader. The Company serves as the chairman unit, and is committed to promoting the rapid development of the industry through our innovative leadership.

The Company actively carried out industry, academia and research cooperation, participated in the formulation of industry standards and industry exchanges, and jointly built, shared and won with industry partners. During the reporting period, the Company actively participated in a series of seminars on the formulation of green logistics industry standards, the cultivation of green logistics talents and the construction of green logistics standard system, and cooperated with the CFLP to prepare two technical standards for the green logistics industry, namely, *Enterprise Green Logistics Evaluation Index* and *Logistics Enterprise Greenhouse Gas Emission Accounting Method*. The National Technical Committee for Logistics Standardization (SAC/TC 269) is the centralized organization.



Promoting the industry-university-research cooperation - Cooperating with Chongqing University in the Intelligent Connected Vehicle (ICV) Project

Chongqing University commissioned the Company to complete the service contents of data collection, testing and verification, and information integration for the application of ICV technology for automotive components. Specifically, it focused on the logistics operations such as transportation, packaging, warehousing, and distribution in the Changan Minsheng Yubei Inbound Logistics RDC Project, and collected, analyzed, and verified main energy consumption data, auxiliary system energy consumption data, logistics equipment energy consumption data, task volume, and operation time data.

During the reporting period, both parties jointly completed the preparation of the ICV technology application data collection, testing, verification, and information integration scheme. The Company collected and analyzed relevant data according to the scheme, and provided the collected data to Chongqing University according to the schedule. According to the research results of Chongqing University, the Company conducted the scheme verification, with good verification results.



Community

Shoulder responsibility bravely and promote people's livelihood jointly

The Company always adheres to the strict requirements of corporate citizenship, practices corporate social responsibility, and cooperates with various parties to create positive interaction between enterprises and society. It is also committed to rural revitalization, caring for vulnerable groups, building a beautiful community, and providing anti-epidemic measures and disaster relief. As a result, through diversified public benefit activities, the Company creates value and gives back to society.

Promote rural revitalization 61

Build a happy community 61



Person-time of people participating in public charity and community volunteers

161 person-time



Duration of people participating in public charity and community volunteers

754 hour



Promote rural revitalization

Never forget our original aspiration and founding mission and make an arduous journey to help the countryside. Taking the opportunity of assistance policy, the Company actively served the overall situation of rural revitalization to create a better life. In order to effectively do a good job in heatstroke prevention, actively promote consumption assistance, and assist in rural revitalization, the Company, in combination with the deployment requirements of the "2022 Consumption Assistance" of CSGC, purchased more than 6,000 boxes of Tibet's unique assistance products - Tibet's natural drinking water, warming the hearts of employees and continuously promoting the development of the unique industries in the assistance area. In terms of rural revitalization, the Company highlighted the responsibility of CMAL. In addition, the Company has allocated RMB 600,000 of targeted assistance funds to Luxi County, Yunnan Province, to fulfill social responsibilities with practical actions and devote their loving hearts.



Building "Mountain and Sea Kindness" by Assistance Actions

Build a happy community

The Company has taken practical actions to promote the voluntary service spirit of "dedication, fraternity, mutual assistance, and progress", mobilize the enthusiasm and initiative of employees to participate in building a beautiful community, and create a strong atmosphere for all employees to involve in and jointly build a warm community.



Learning from Lei Feng's Voluntary Activities

Young volunteers carried out volunteer services in office buildings, parks, and surrounding communities, including handling printer installation issues, handling "knotty problems" with office computers, promoting garbage classification knowledge, planting green plants, and cleaning public areas in the park.



Volunteer Service - Extinguishing Mountain Fire

When a forest fire broke out in Dazu District, Chongqing, the Company's Party, labor union, and League branch volunteers formed a commando to assist the local volunteer headquarters in carrying out fire fighting and patrol work, making positive contributions to extinguishing the mountain fire and removing hidden dangers.



Blood Donation Activity

At a critical moment of short of blood inventory due to the impact of the epidemic, the "Xiongying" youth commando of the Company, which has been living in Nanjing for a long time, actively carried out voluntary blood donation activities twice, and more than 60 young volunteers donated blood, effectively demonstrating the responsibility of the "hot-blooded" youth of the Company.





Volunteer Service - Epidemic Prevention and Control

In the context of the severe and complex situation of the national epidemic, volunteers have embraced responsibility with passion and actively participated in voluntary services.

Four employees, positively answering the call, participated in voluntary epidemic prevention services as the militia, stationed at key prevention and control areas in Yubei District, Chongqing for at least 8 hours a day, performing various tasks such as people in/out screening, handling of living materials, nucleic acid testing and sampling in high-risk areas, and patrol duty.

In response to the call of the Communist Youth League Chongqing Municipal Party Committee to establish an emergency volunteer service team, young employees have participated in community epidemic prevention services, responsible for daily contacting 297 residents and providing them with timely assistance.

The employees also actively responded to the call of the local government to recruit volunteers and went to the expressway checkpoint. They stuck at the entrance and exit of each checkpoint in 24-hour shifts, in charge of checking the code, measuring the temperature, registering, verifying the negative evidence of nucleic acid testing for incoming and outgoing people, as well as assisting in troubleshooting and early warning.

Young employees actively participated in voluntary epidemic prevention services and assist their work park in conducting daily nucleic acid testing.



Indicator name	Indicator unit	2022
Person-time of people participating in public charity and community volunteers	Person-time	161
Duration of people participating in public charity and community volunteers	Hour	754

Appendix

Key performance

Environmental performance

Indicator	Unit	2021	2022
Used engine oil amount	t	2.46	1.25
Used engine oil density	ton/RMB 100 million revenue	0.04	0.01
Amount of used toner cartridge	t	3.87	1.11
Used battery amount	t	1.11	0.30
Amount of used lamp tube	t	0.26	0.07
Amount of used forklift battery	t	101.7	46.42
Total amount of hazardous wastes	t	110.31	49.15
Density of hazardous waste	ton/RMB 100 million revenue	1.83	0.64
Amount of used tires	t	6.28	5.29
Amount of used paper	t	25.01	19.65
Amount of used wooden pallets	t	366.06	31.84
Amount of used plastics	t	105.88	15.32
Amount of waste cardboard	t	2,861.43	60.94
Total amount of non-hazardous wastes	t	3,364.66	133.04
Density of non-hazardous waste	ton/RMB 100 million revenue	55.88	1.73
Amount of waste water emission	m ³	344,282.99	141,594.84
Density of waste water density	m ³ /RMB 100 million revenue	5,718.04	1,839.61
Greenhouse gas emission (scope 1)	CO ₂ equivalent - ton	21,238	10,893.12
Greenhouse gas emission (scope 2)	CO ₂ equivalent - ton	2,739	5,567.85
Total emissions of greenhouse gas	CO ₂ equivalent - ton	23,977	16,460.97
Greenhouse gas emission intensity	CO ₂ equivalent - ton/RMB 100 million revenue	398.23	213.86

Indicator	Unit	2021	2022
Amount of lead-free gasoline	Liter	236,759.26	117,062.14
Amount of diesel	Liter	7,641,961.76	3,675,182.07
Amount of natural gas	m ³	167,100	281,599.00
Outsourced electricity	MWh	4,489.98	9,362.60
Direct energy consumption	MWh	80,091.99	41,543.10
Indirect energy consumption	MWh	4,489.98	9,763.02
Total energy consumption	MWh	84,581.97	51,306.12
Density of total energy consumption	kWh/RMB 100 million revenue	1,404.78	666.57
Total water consumption	m ³	664,304.83	401,033.78
Water consumption density	m ³ /RMB 100 million revenue	11,033.13	5,210.26
Water saving amount	m ³	321	570
Paper	t	419	464.80
Wooden products	t	92	90
Plastics	t	556.86	358.50
Total amount of packaging material	t	983.81	915.01
Density of packaging material	ton/RMB 100 million revenue	16.34	11.89

Social performance

Employee total by gender, age group, employment type and region

Indicator	Unit	2021	2022
Total number of employees	Person	4,692	4,397
Total employees by gender			
Female employees	Person	1,516	1,373
Male employees	Person	3,176	3,024
Total employees by age			
Age 29 and above	Person	775	781

Indicator	Unit	2021	2022
Age 30 ~ 39	Person	1,562	1,484
Age 40 ~ 49	Person	1,268	1,107
Age 50 ~ 54	Person	680	618
Age 55 and above	Person	407	407
Total workforce by employment type			
Full time	Person	4,692	4,397
Part-time	Person	0	0
Total employees by region			
Domestic	Person	4,692	4,397
Overseas	Person	0	0

Employee turnover rate by gender, age group and region

Indicator	Unit	2021	2022
Annual employee turnover rate	%	6.3	9.1
Employee turnover rate by gender			
Turnover rate of female employee	%	2.1	3.0
Turnover rate of male employee	%	4.2	6.1
Employee turnover rate by age group			
Age 29 and above	%	2.0	2.3
Age 30 ~ 39	%	2.0	2.9
Age 40 ~ 49	%	0.7	1.5
Age 50 ~ 54	%	0.9	1.5
Age 55 and above	%	0.6	0.9
Employee turnover rate by region			
Domestic	%	6.3	9.1
Overseas	%	0	0

Employee health and safety

Indicator	2020	2021	2022
Work fatalities (case)	0	0	0
Death rate per thousand employees (person/thousand people)	0	0	0
Lost days due to general work injury (day)	0	0	0
Number of work injuries (time)	0	0	0

Employee training

Indicator	Unit	2021	2022
Trained employee percentage by gender			
Female employees	%	100	100
Male employees	%	100	100
Trained employee percentage by post type			
Managers	%	100	100
Specialists	%	100	100
Operators	%	100	100
Trained employee percentage by employee category			
Senior management	%	100	100
Middle management	%	100	100

The average training hour completed per employee by gender and employee category

Indicator	Unit	2021	2022
The average training hour completed per employee by gender			
Female employees	Hour	54.19	23.72
Male employees	Hour	57.58	55.92

Indicator	Unit	2021	2022
Average hours of trained employee by post type			
Managers	Hour	55.42	135.42
Specialists	Hour	50.0	29.20
Operators	Hour	84.87	14.24
Average hours of trained employee by employee category			
Senior management	Hour	66.71	43.94
Middle management	Hour	25.03	138.18

Supplier data

Indicator	Unit	2021	2022
Total number of suppliers	Nos.	1,105	1,210

Product Liability

Indicator	Unit	2021	2022
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	Not applicable	Not applicable
Analysis results of customer satisfaction survey	%	95.46	96.87
Number of products and service related complaints received	Piece	10	14

Public investment

Indicator	2021	2022
Resources contributed to the focus area (RMB)	802,000	800,600

Indicator index

No.	Indicator description	Disclosure section
A1. Emissions	<p>General disclosure</p> <p>On waste gas and greenhouse gas emissions, sewage to water and land, and generation of harmful and harmless wastes:</p> <p>(a) policy;</p> <p>(b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p>Note: Waste gas emissions include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, fluorohydrocarbon, perfluorocarbons and sulfur hexafluoride.</p> <p>Hazardous waste refers to those defined by national regulations.</p>	2.1 Strengthen environmental management
	A1.1 The types of emissions and respective emissions data.	2.2 Practice energy conservation and emission reduction
	A1.2 Direct (scope 1) and indirect energy (scope 2), total greenhouse gas emissions (in ton) and (if applicable) density (e.g., per production unit, per facility).	2.2 Practice energy conservation and emission reduction
	A1.3 Total amount of hazardous waste generated (by t) and (if applicable) density (e.g. per production unit, per facility).	2.2 Practice energy conservation and emission reduction
	A1.4 Total amount of non-hazardous waste generated (by t) and (if applicable) density (e.g. per production unit, per facility).	2.2 Practice energy conservation and emission reduction
	A1.5 Description of the emission targets set and the steps taken to achieve them.	2.2 Practice energy conservation and emission reduction
	A1.6 Description of the methods of dealing with hazardous and harmless wastes, and Description of the emission targets set and the steps taken to achieve them.	2.2 Practice energy conservation and emission reduction
A2. Use of resources	<p>General disclosure</p> <p>Policies for the effective use of resources, including energy, water and other raw materials.</p> <p>Note: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.</p>	2.2 Practice energy conservation and emission reduction
	A2.1 Total consumption of direct and / or indirect energy (e.g. electricity, gas or oil) by type (in thousand KWh) and density (e.g. per production unit and per facility).	2.2 Practice energy conservation and emission reduction
	A2.2 Total water consumption and density (if calculated per production unit and per facility).	2.2 Practice energy conservation and emission reduction
	A2.3 Description of the energy efficiency objectives set and the steps taken to achieve them.	2.2 Practice energy conservation and emission reduction
	A2.4 Description of any problems that may arise in obtaining a suitable water source, as well as the water efficiency objectives set and the steps taken to achieve them.	2.2 Practice energy conservation and emission reduction
	A2.5 The total amount of packaging materials used for finished products (in tons) and, if applicable, the proportion per production unit.	2.2 Practice energy conservation and emission reduction
A3. Environment and natural resources	<p>General disclosure</p> <p>Policies to reduce the issuer's significant impact on the environment and natural resources.</p>	N/A (the Company's business operation has no significant impact on the environment or natural resources)
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	

No.	Indicator description	Disclosure section
A4. Climate change	<p>General disclosure:</p> <p>Policies for identifying and responding to major climate related matters that have and may have an impact on the issuer.</p>	2.3 Combat climate change
	A4.1 Description of major climate-related issues that have affected and may affect the issuer and countermeasures.	2.3 Combat climate change
B1 Employment	<p>General disclosure</p> <p>On remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti discrimination and other treatment and benefits:</p> <p>(a) Policy; and</p> <p>(b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	3.1 Build a diversified team
	B1.1 Total employee by gender, employment type (such as full-time and part-time), age group and region.	3.1 Build a diversified team
	B1.2 Employee turnover rate by gender, age group and region	3.1 Build a diversified team
B2 Health and safety	<p>General disclosure</p> <p>On providing a safe working environment and protecting employees from occupational hazards:</p> <p>(a) Policy; and</p> <p>(b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	3.4 Care for employees' health
	B2.1 The number and rate of work-related deaths in each of the past three years (including the reporting year).	3.4 Care for employees' health
	B2.2 Lost days due to general work injury	3.4 Care for employees' health
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	3.4 Care for employees' health
	B2.4 Description of occupational health and safety measures adopted, how they are implemented and monitored	3.4 Care for employees' health
B3 Development and training	<p>General disclosure</p> <p>On policies on enhancing employees' knowledge and skills in performing their duties. Description of training activity</p> <p>Note: The training refers to vocational training, including internal and external courses paid by the employer.</p>	3.3 Broaden development channels
	B3.1 Percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc.).	3.3 Broaden development channels
	B3.2 The average training hour completed per employee by gender and employee category	3.3 Broaden development channels
B4 Labour standards	<p>General disclosure</p> <p>On the prevention of child or forced labour:</p> <p>(a) policy;</p> <p>(b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	3.2. Protection for employees' rights and interests
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	3.2. Protection for employees' rights and interests
	B4.2 Description of steps taken to eliminate such practices when discovered.	3.2. Protection for employees' rights and interests

No.	Indicator description	Disclosure section
B5 Supply chain management	General disclosure Environmental and social risk policy of the supply chain management.	4.4 Building a responsible supply chain
	B5.1 Number of suppliers by region.	4.4 Building a responsible supply chain
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	4.4 Building a responsible supply chain
	B5.3 Description of the practices for identifying environmental and social risks in each link of the supply chain, and relevant implementation and monitoring methods.	4.4 Building a responsible supply chain
	B 5.4 Description of the practices of promoting the use of environment-friendly products and services during the selection of suppliers, and relevant implementation and monitoring methods.	4.4 Building a responsible supply chain
B6 Product responsibility	General disclosure On health and safety, advertising, labeling, privacy and remedies for the products and services provided: (a) policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	4.3 Upgrade customer experience
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The percentage of total products sold or shipped subject to recalls for safety and health reasons is zero.
	B6.2 Number of products and service related complaints received and how they are dealt with.	4.3 Upgrade customer experience
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	4.2 Improving quality management
	B6.4 Description of quality assurance process and recall procedures.	4.2 Improving quality management
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.3 Upgrade customer experience
B7 Anti-corruption	General disclosure On prevention of bribery, extortion, fraud and money laundering: (a) policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	1.3 Anti-corruption
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Anti-corruption
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	1.3 Anti-corruption
	B7.3 Description of the anti-corruption training provided to the board of directors and employees.	1.3 Anti-corruption
B8 Community investment	General disclosure Policy on community participation to understand the needs of the operating community and ensure that its business activities take into account the interests of the community.	5.1 Promoting rural revitalization 5.2 Building a happy community
	B8.1 Focus on areas of contribution (e.g. education, environmental matters, labor needs, health, culture, and sports).	5.1 Promoting rural revitalization 5.2 Building a happy community
	B8.2 Resources (such as money or time) used in the area of focus.	5.1 Promoting rural revitalization 5.2 Building a happy community



Tel: 023-88795600

Address: 1881 Jinkai Avenue, Yubei District, Chongqing, China