



中谷物流

ZHONGGU LOGISTICS

Stock code:603565

2024

Environmental, Social and Governance Report

Shanghai Zhonggu Logistics Co., Ltd.





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Preface

About the Report



Introduction to the Report

This is the Environmental, Social and Governance ("ESG") report of Shanghai Zhonggu Logistics Co., Ltd. (hereinafter referred to as "Zhonggu Logistics", "we" or "the Company"). The ESG report comprehensively describes the economic, environmental and social performance and management initiatives of Zhonggu Logistics in 2024, focuses on the common concerns of stakeholders, and discloses the key information of the Company and its subsidiaries (collectively referred to as "the Group").

Reporting Time

From January 1, 2024 to December 31, 2024 (referred to as the "reporting period"); some information and cases might beyond the reporting period.

Reporting Scope and Boundaries

The Report covers Shanghai Zhonggu Logistics Co., Ltd. and all of its subsidiaries, with the same reporting scope as the 2024 Annual Report (hereinafter referred to as the "Annual Report").

Notes on Data

The financial data herein comes from the consolidated report for 2024, which have been independently audited by Pan-China Certified Public Accountants LLP (specialized general partnership); the remaining of the information and data are mainly sourced from the Company and the Group's internal statistical reports or documents. The monetary amounts indicated herein are denominated in RMB.

Reference Standards

This report has been prepared with reference to the "Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)" issued by the Shanghai Stock Exchange (referred to as the "SSE") and with appropriate reference to the GRI Standards by the Global Reporting Initiative (GRI).

Confirmation and Approval

The Report was approved by the board of directors on March 28, 2025 following the confirmation by the management.

Message from the Chairman



Zhou Bin

— Chairman of Zhonggu Logistics

As a pioneer and steadfast player in the field of domestic container logistics in China, Zhonggu Logistics has always forged ahead with the spirit of an innovator. Amidst the waves of industrial transformation, we continuously refine our original intention of “Changing China's Logistics with Containers” and product values of “Safe, Efficient, and Green,” committing ourselves to providing customers with comprehensive container logistics solutions. For over two decades, we have consistently aimed to build a symbiotic and win-win logistics ecosystem. Facing the challenges of our times, we constantly break through business boundaries, reshaping service chains with a digital mindset, and transforming the standardized advantages of containers into incremental value for our customers. On the journey of fulfilling corporate responsibilities, we have always used the creation of shared value as a bond, weaving a development network of shared responsibilities and opportunities with our partners. Standing at a new developmental coordinate, we are setting our course with a broader vision, committed to making every journey carry the warmth of industry progress through the continuous optimization of service capabilities and the deepening of governance innovation.

Zhonggu Logistics upholds the long-term employee vision of “helping employees achieve ambitions in fun and through learning.” We strictly safeguard the legitimate rights and interests of our employees and thoughtfully organize regular team-building activities and holiday celebrations to enrich their cultural lives and strengthen their sense of belonging to the Company. Through diverse initiatives, we foster a stable and harmonious working

environment. At the same time, we place employee training and development at the forefront. In 2024, we actively conducted both internal and external training programs, including onboarding sessions for new employees, a comprehensive training system for existing staff, and executive lectures tailored to specific needs. These initiatives continuously support employee growth, providing robust talent support for the Company's sustainable development.

Zhonggu Logistics is actively advancing “sea-rail” intermodal transportation, achieving a groundbreaking “Through Bill of Lading (B/L) System” in the fullest sense. By redefining standardized processes and establishing a digital collaborative platform, we have significantly enhanced the efficiency of logistics chain coordination. We continue to push forward with the construction of hub logistics parks, and the gradual completion and operation of multimodal logistics parks in Rizhao, Qinzhou, and Xiamen will facilitate the rapid implementation of end-to-end logistics services. We are committed to accelerating the pace of “bulk to container”. This initiative not only contributes to achieving the carbon peaking and carbon neutrality but also makes a significant impact in addressing global climate change.

we constantly create value and distribute dividends to stakeholders. In 2024, we plan to distribute dividends of RMB 1.66 billion (tax inclusive), accounting for 90.39% of the net profit gained over the same period, providing investors with solid and stable cash returns. Building on the Return Plan for the Next Three Years implemented in the previous reporting period, we will continue to maintain an active cash dividend policy from 2023 to 2025, ensuring that the cumulative dividends over the three years will not be less than 60% of the distributable profits, allowing all shareholders to share in the Company's growth.

Looking ahead to 2025, Zhonggu Logistics will focus on the development theme of “deepening internal reforms to enhance efficiency and pursuing external blue ocean strategies for growth.” We will prioritize business innovation and cost reduction to improve efficiency, actively respond to external challenges and uncertainties, and continue to pursue high-quality development through relevant business activities. In the future, we will adopt a more open approach to weaving our logistics network, transforming steel vessels into green links that connect ecosystems and economies, and in every departure and docking, we will inscribe the era's annotations of sustainable development.

Zhonggu Logistics at a Glance

Company Profile

Zhonggu Logistics is one of the first companies in China specializing in container shipping in the domestic trade sector. It was listed on the SSE in September 2020 (603565.SH). Since its inception, the Company has been offering clients from industrial and agricultural commerce safe, efficient, green, and convenient whole-process multimodal transport services, powered by standard containers and big data, championing the corporate mission of "Changing China's Logistics with Containers" with steady development. Zhonggu Logistics has grown into a comprehensive modern enterprise that integrates the business of liner transport, comprehensive logistics, ship management, entity investment, etc.

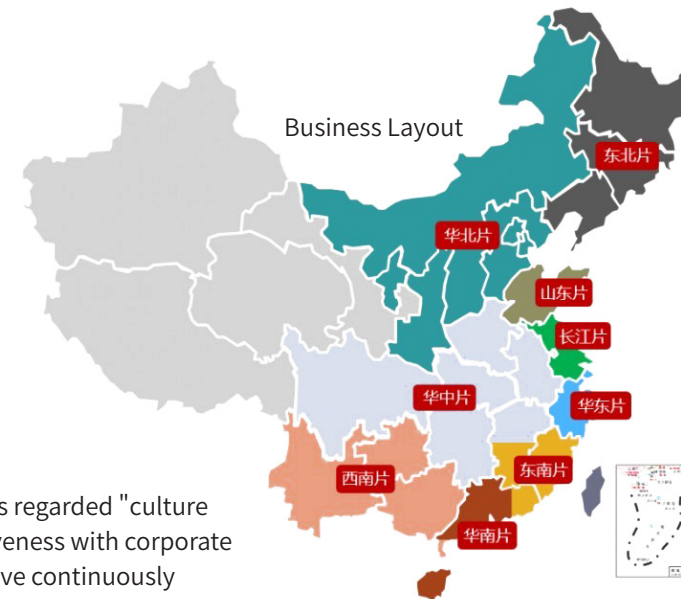
As of the end of the reporting period, Zhonggu Logistics has extended its services across nearly 30 Chinese provinces/municipalities and 150 ports, supported by a nationwide network of over 200 offices and branch companies. The Company maintains a diversified container fleet including standard containers (general cargo containers, food-grade SQ containers, and coal containers) as well as specialized units such as reefer containers, flat racks, and open-top containers, capable of transporting over 10,000 types of goods. Complementing its core waterway operations, Zhonggu Logistics has integrated railway and highway resources to deliver comprehensive multimodal transport services encompassing sea-land transportation, river-sea coordination, water-to-water transshipment, sea-rail intermodal services, along with specialized cold chain logistics solutions. Having established one of China's most extensive maritime logistics networks, the Company connects coastal regions with the Yangtze and Pearl River systems through its "Three Horizontal & One Vertical" strategic layout. It maintains leading market positions in domestic container throughput at numerous coastal and Yangtze River ports.

As one of China's earliest specialized companies engaged in coastal container transportation, Zhonggu Logistics has consistently ranked among the top three domestic container shipping operators by fleet capacity. Currently implementing its transformative "Landing Strategy", the Company is advancing full-process logistics capabilities to provide complete door-to-door logistics solutions, further strengthening its core competitiveness in the industry.



Cultural Values

Since its establishment, Zhonggu Logistics has always regarded "culture first" as its strategic gene, building its core competitiveness with corporate culture as the core. Over the past two decades, we have continuously promoted the dynamic evolution and deepening of the cultural system through strategic upgrades and organizational transformation, constantly rejuvenating the vitality of the culture. This cultural system, through four functional modules of value orientation, organizational cohesion, behavior shaping, and talent motivation, has formed the internal driving force for the development of the enterprise, becoming the core engine for leading the implementation of strategies and improving organizational efficiency.



Corporate Purpose: Bringing happiness to employees and creating value for the society

Corporate Mission: Changing China's Logistics with Containers

Corporate Vision: Leading the development of China's logistics, serving the society, and empowering employees

Client Vision: Making customers the most competitive players in their industries

Staff Vision: Helping employees achieve ambitions in fun and through learning

Corporate Pursuit: First-class company, First-class talent, First-class performance, First-class return

Business Style: Serious, Agile, Responsible for results

Core Values: Loyalty, Sincerity, Diligence

Customer Values: We pursue customer satisfaction

Product Values: Safe, Efficiency, Green

Talent Values: Action precedes achievements, contribution precedes value

Course and Glories

Sustainability Course

Formed an initial scale from 2010 to 2013

In 2010, Zhonggu Logistics was officially established. Its controlling shareholder Zhonggu Shipping is one of the first companies in China specializing in container shipping in the domestic trade sector

In 2011, key routes including "Shanghai-Guangzhou", "Qingdao Xiamen", "Qingdao Guangzhou", "Taicang-Guangzhou", and "Rizhao Guangzhou" were successively opened, marking that Zhonggu Logistics became one of the first companies in China specializing in container shipping in the domestic trade sector that opened boutique routes

Strategic transformation from 2014 to 2016

In 2015, Shanghai Zhonggu Logistics Co., Ltd. was established

In 2016, big ships were introduced from "Zhonggu Shandong", "Zhonggu Liaoning", etc., to improve the single ship load and shipping efficiency and reduce shipping costs

In 2017, the direct-to-customer strategy was launched, realizing the transformation of service objects from freight forwarders to direct customers

New development from 2017 to 2021

In 2017, strategic investors such as Softbank China Venture Capital (SBCVC Softbank China Capital), YTO Express, Shanghai FTZ Fund, East Bell Venture Capital and GLP were introduced

In 2019, with implementation of the multimodal transport strategy, form a multimodal transport logistics platform, and the industrial tentacles were extended from the economic hinterland of coastal and riverside provinces and cities to the inland areas

In 2020, officially listed on A-share main board (603565. SH)

In 2021, further expanded transport capacity and enhanced core competitiveness in a new development period

A new future in 2022-2024

2022: The first container ship titled "Zhonggu Jinan" with 4,600 TEUs successfully set sail, and the strategy of "shipping loose cargo via containers" was implemented in an orderly manner

2023: 15 of 18 container ships with 4,600 TEUs have been delivered, and the remaining three will be delivered in succession in the first half of 2024

2024: Zhonggu Logistics and China State Railway Group Co., Ltd jointly issued the nation's first "Through B/L System" for container multimodal transport, achieving a groundbreaking "Through B/L System"



Sustainability Rating

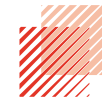
- Wind ESG Rating¹: A
- Sustainalytics Rating Score²: 22.7



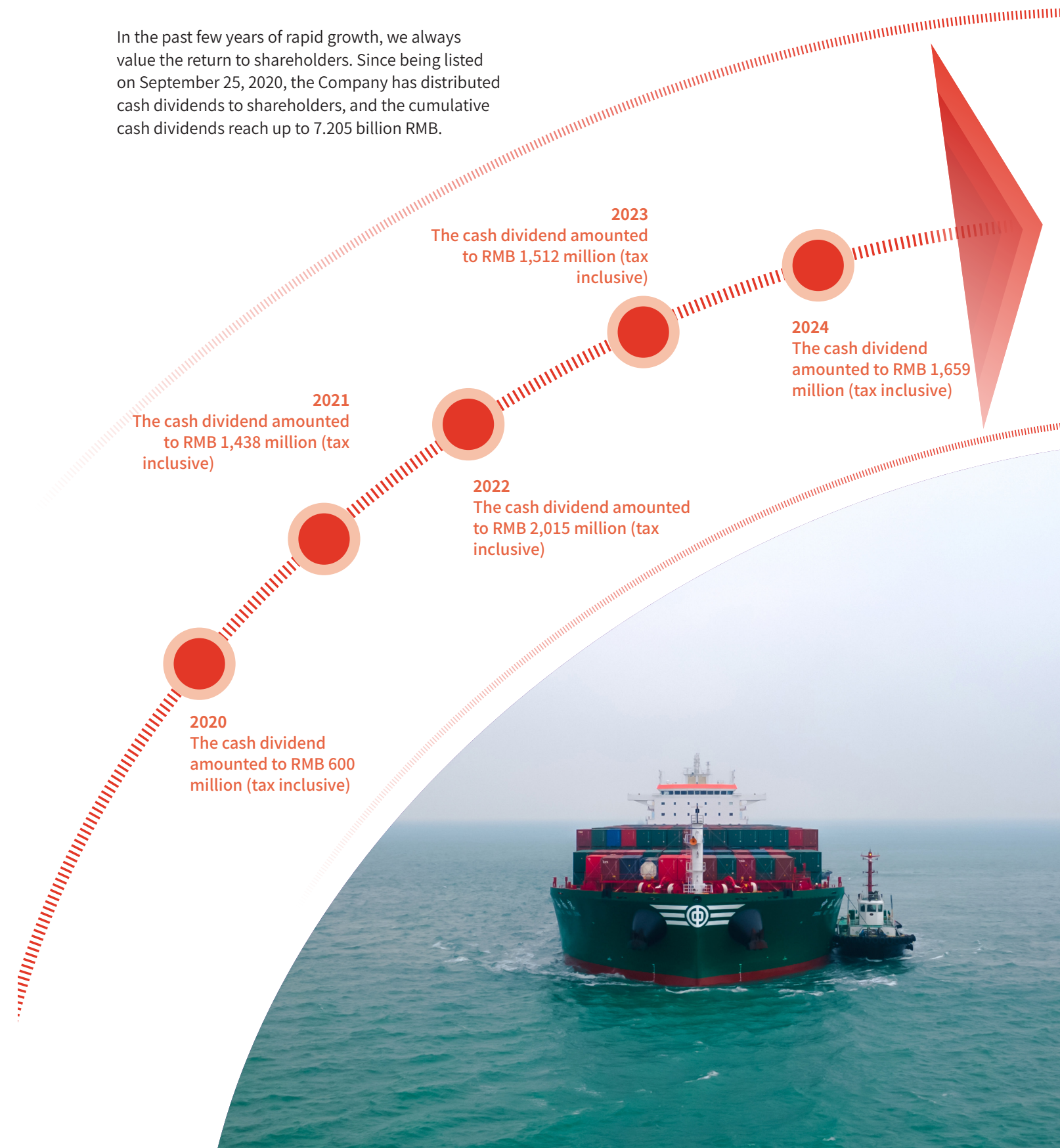
¹ The Wind ESG Rating system categorizes companies into seven tiers (CCC, B, BB, BBB, A, AA, AAA) based on score ranges, evaluating ESG risks and opportunities inherent to their respective industries while benchmarking performance against sector peers.

² Sustainalytics' ESG risk ratings are determined through quantitative assessment of corporate ESG exposure, classifying enterprises into five risk tiers (Negligible Risk, Low Risk, Medium Risk, High Risk, Severe Risk) proportionate to risk magnitude, where higher rating scores indicate greater risk exposure.

Return to Shareholders



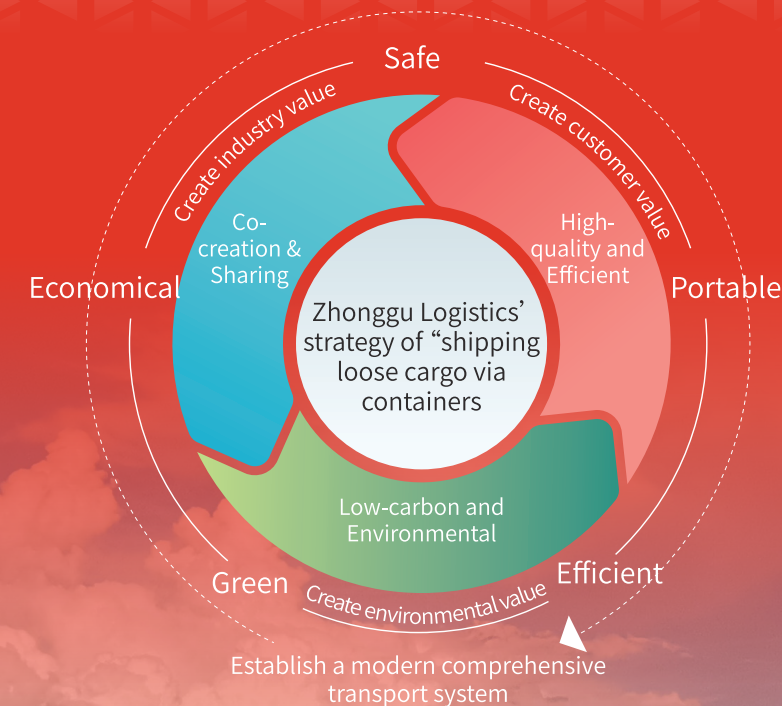
In the past few years of rapid growth, we always value the return to shareholders. Since being listed on September 25, 2020, the Company has distributed cash dividends to shareholders, and the cumulative cash dividends reach up to 7.205 billion RMB.



Key Performance

Economic			
Indicators	Unit	2024	2023
Total TEU capacity	Tons	Approx. 3.39 million	Approx. 3.51 million
Container inventory	TEUs	Approx. 410,000	Approx. 470,000
Shipping volume	TEUs	Approx.11.29 million	Approx.15 million
Operating income	RMB	11,258,253,186	12,438,791,418
Net income attributed to shareholders	RMB	1,835,400,630	1,717,277,555
Income tax expense	RMB	615,559,193	560,333,171
Audited basic earnings per share	RMB/share	0.87	0.82
Cash dividend	RMB	1,659,049,851	1,512,045,434
Dividend payment rate	%	90.39	88.05
Environmental			
Indicators	Unit	2024	2023
GHG emissions intensity	Ton of CO2 equivalent/ million RMB	71.94	80.95
Energy intensity	kWh/million RMB	273,664	301,242.42
Generation intensity of hazardous waste	Ton/million RMB	0.12	0.12
Generation intensity of non-hazardous waste	Ton/million RMB	0.04	0.05
Water consumption intensity	Ton/million RMB	8.57	8.16
Social			
Indicators	Unit	2024	2023
Total training input	RMB10,000	295	290
Average hours of training for employees	Hour	51.15	44.28
Number of complaints received about products and services	No.	65	170
Donations	RMB	408,804	200,000
Employee volunteer hours	Hour	3,797	12,000
Social contribution per share	RMB/share	1.50	1.65

Annual Features



Under the guidance of the national call, "to speed up the building of a modern comprehensive transport system that is safe, convenient, efficient, green and economical", Zhonggu Logistics has broken through the industry pain points with innovative power. In 2024, it launched the "Through Bill of Lading (B/L) System" reform of multimodal transport, becoming a benchmark practice for promoting the construction of a strong transportation country. As the core carrier of the "bulk to container" strategy, Zhonggu Logistics integrates shipping, port, railway and highway resources to create an inland container multimodal transport system that is "integrated with shipping, port, station and network, efficient, intelligent and standardized". It realizes the unification of orders and related documents in the whole chain, seamless service connection and significant improvement in efficiency. Our

breakthroughs in the "bulk to container" and multimodal transport projects also verify the breakthrough value of "Through B/L System" in reducing logistics costs and shortening delivery cycles and promote the "dual carbon goals" with low-carbon transformation by optimizing the transportation structure to reduce carbon emission intensity and empowering the standardization process of the industry with intelligent upgrading.





Low-carbon co-creation

Zhongguo Logistics always adheres to the concept of green development. Through the innovative application of the efficient transportation mode of "bulk to container" and green ship technology, it has significantly improved logistics efficiency and greatly reduced carbon emissions, effectively promoting the green transformation of the industry.

Zhongguo Logistics fully leverages the unique advantages of the "bulk to container" transportation mode, deeply optimizes the transportation structure, fully leverages the advantages of waterway transportation in being low-carbon and environmentally friendly, effectively reduces the high energy consumption and high emissions problems of traditional road transportation, and realizes the reduction of carbon emissions in the transportation link, providing strong support for the acceleration of the green and low-carbon transformation of the transportation industry.

According to data released by the National Bureau of Statistics, China's cargo turnover reached 25448.6 billion ton-kilometers in 2024. If all were transported by waterway, it would consume 65.96 million tons of standard coal and emit 165 million tons of CO₂. Compared with road and rail transport, inland container waterway transport has stronger energy-saving and emission-reduction capabilities and makes greater contributions to ecological protection.

During the reporting period, the proportion of "bulk to container" boxes of Zhongguo Logistics was about 18.16%, and the turnover was about 1,991 billion ton-kilometers. The carbon emissions of the "bulk to container" transportation mode were about 133,608 tons, saving about 222,462 tons and 1,402,737 tons respectively compared with all rail transport and road transport.

Effectiveness of Carbon Reduction

- During the reporting period, Zhongguo Logistics saved about 222,462 tons and 1,402,737 tons respectively compared with all rail transport and road transport through "bulk to container" mode;
- During the reporting period, Zhongguo Logistics reduced carbon emissions by 2,270 tons through the project of optimizing the longitudinal inclination of ships.

In the field of green ships, Zhongguo Logistics takes "full life cycle green management" as its orientation and builds a systematic green ship operation system. the Company has made breakthrough progress in green ship technology innovation. By implementing the ship trim optimization project, it effectively saves fuel use and sets a benchmark for the sustainable development of the industry. Zhongguo Logistics practices its commitment to green development with concrete actions and continues to lead the logistics industry towards a greener and lower-carbon future.

Improved Efficiency and Higher Speed

On November 22, 2024, the X9622 train carrying 3,000 tons of aluminum rods arrived at Tianjin Port from Zhundong Station in Xinjiang Uygur Autonomous Region. The goods were then loaded onto the Zhongguo Logistics container liner bound for Dongguan Port in Guangdong Province. This shipment was jointly carried by China Railway Urumqi Group Co., Ltd., a subsidiary of China State Railway Group, and Zhongguo Logistics. This marked a historic breakthrough in China's multimodal transport "Through B/L System" service, achieving seamless integration throughout the entire transportation process with "a single consignment, a single bill of lading, a single container, and a single settlement" .

Compared to traditional transportation methods that involve multiple steps and procedures, multimodal transport mode "Through B/L System" service integrates various modes of transportation, achieving seamless connection and unified scheduling throughout the entire process. This significantly reduces transfer time, human resource consumption, and operational costs, making cargo transportation faster and more efficient. By scientifically matching train schedules with waterway shipping schedules, multimodal transport mode "Through B/L System" service optimizes the utilization of railway capacity and waterway space, minimizing the total transportation time and ensuring efficient and timely delivery of goods. Additionally, multimodal transport mode "Through B/L System" service achieves integrated management of the entire transportation process, including planning, tracking, and settlement. With a standardized multimodal transport mode bill of lading, customers only need to place one order to enjoy seamless service from start to finish, greatly simplifying logistics processes, improving transportation efficiency, and providing an excellent logistics experience for customers.

Zhongguo Logistics has focused on key bottlenecks and challenges in logistics efficiency and cost optimization. It actively promotes mutual recognition and interoperability of standards for cargo names, box types, packaging, etc., and orderly connects railway and waterway business processes. Together with partners, it has developed efficient and convenient rail-water intermodal logistics products. Through designing a standardized multimodal transport mode, Zhongguo Logistics has effectively promoted the standardization and orderly operation of multimodal transport "Through B/L System" service, further improving transportation efficiency and setting an industry benchmark.

Shared Data

After over a year and a half of in-depth research and collaborative development by Zhonggu Logistics and its partners, the multimodal transport mode "Through B/L System" online system officially achieved automatic push functionality on October 21, 2024. This breakthrough upgrades the traditional offline manual logistics tracking method to online automation, successfully replacing manual intervention with digital technology, significantly enhancing data accuracy and timeliness.

The "Through B/L System" online system integrates multiple intelligent functions. By breaking down information barriers between railways and maritime transport, it enables data sharing and real-time analysis, continuously optimizing the efficient connection of each link in multimodal transport mode. It also provides customers with more precise and personalized transportation optimization solutions, further enhancing the value and efficiency of logistics services. This system marks an important step towards the digital era in the transportation industry, becoming a key driving force for industry transformation.



The "Through B/L System" can quickly count the status of in-transit, in-port, and out-of-stock, etc., and can quickly analyze the recent shipments in case of abnormal delayed arrival and make timely remedial measures.



The "Through B/L System" analyzes the demand of different sections through system data, for example, analyzing the warehouse's ability to ship out through the time of shipment.



The "Through B/L System" can provide timely solutions for customers by analyzing the time in transit, and if the time in transit exceeds the customers' demand, it can add railroads or other logistics solutions for the customer.

Advantages of the "Through B/L System"



COFCO Sugar Collective Mining Project: "Through B/L System" Data Sharing Achievements Showcased

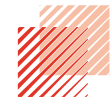
The "Through B/L System" online data system can analyze the warehousing capacity of warehouses through the time-to-delivery, which becomes the reference basis for the quantity of sugar purchased. Through the effective docking of information system, COFCO Sugar Collective Purchasing Project not only realizes the end-to-end service for customers from production and warehousing to sales and distribution at destination ports, but also continues to optimize the efficient connection of multimodal transportation in the process of transportation through the system's data connection, which has successfully become the best demonstration of the characteristics of the "Through B/L System" data sharing. The system has successfully become the best demonstration of the data sharing feature of the "Through B/L System".

Additionally, Zhonggu Logistics fully utilizes information technology, carries out joint scientific research projects for technological research, promotes the sharing of data and information between railroad and water transport, and develops and puts into use the function of multimodal transport "Through B/L System" on the railroad 95306 platform, which can accept the whole logistics business of railway and water transport, and has the functions of multimodal transport bill of lading and issuance, and the whole tracking of goods, Transportation statistics analysis and other functions, to realize the schedule and price transparency, to create a more efficient and intelligent mode of transportation.

Strengthening ESG Governance

Zhonggu Logistics has always adhered to its corporate mission of "changing the way logistics is conducted in China with containers" and has made sustainable development a long-term strategic goal. By continuously implementing the concept of sustainable development, Zhonggu Logistics has not only achieved commercial value but also created long-term sustainable value for society.

ESG Governance System



ESG Governance Structure

To ensure the implementation and execution of the sustainable development strategy and to fulfill its commitment to sustainability, Zhonggu Logistics has established a three-tier governance structure consisting of the Board of Directors, an ESG Working Group, and functional departments. This structure ensures the oversight, guidance, and support of the Board and management for related work, promoting in-depth sustainable development governance and institutional construction throughout the group from top to bottom. By establishing a clear three-tier governance framework with defined responsibilities, we can effectively ensure the smooth progress of ESG initiatives, better address ESG challenges, and integrate sustainable development principles into every aspect of our business operations, thereby significantly enhancing the company's sense of social responsibility and its capabilities for sustainable development.



ESG Governance Structure

Stakeholder Communication

Zhongguo Logistics consistently regards stakeholder engagement as a core component of its sustainable development strategy. We have established a regular and diverse two-way communication mechanism tailored to the characteristics of different stakeholders, conducting systematic dialogues through various channels that cover core groups such as government and regulatory agencies, shareholders and investors, employees, customers, suppliers, and community/environment representatives.

Through regular or special communications, we focus on six major dimensions: economy, corporate governance, environment, employee rights, supply chain management, and community development. We systematically gather the core demands of stakeholders and incorporate them into strategic planning. This mechanism not only ensures the accurate transmission of various parties' concerns but also promotes the co-creation of multi-party value and the achievement of sustainable development goals by continuously optimizing ESG practices.

Stakeholder	Key Concern	Communication Mechanism
Government & regulatory authorities	Tax transparency Anti-corruption Environmental compliance	Information disclosure Feature reports Spot checks
Shareholders & investors	Corporate governance Risk management Market performance Economic performance	Shareholders' meetings Information disclosure SSE E-interactive Roadshows Site visits
Employees	Equal employment Diversity & equity of opportunity Employee care Training & education Occupational health & safety	Staff congress meetings E-school Employee satisfaction surveys Discussion & communication
Clients	Client satisfaction Client privacy protection Optimization of ship operation Safety management	Client satisfaction survey Communication and complaint channels Trade shows & promotional campaigns
Contractors/Suppliers	Responsible sourcing Environmental & social assessment of suppliers	Signing of a contract/agreement Supplier training Summits
Communities	Community interest Environmental compliance GHG emission Wastewater discharge management	News media Field investigation

Double Materiality Assessment

During the reporting period, we took into account regulatory requirements, industry trends, and stakeholder concerns to accurately identify the material issues for the company's sustainable development. In accordance with the requirements of the "Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)" the Company conducted a double materiality assessment. This assessment comprehensively examined the potential significant financial impacts (hereinafter referred to as "financial materiality") of each material issue on the company's business model, operations, and strategic planning in the short, medium, and long term. It also assessed in depth the significant impacts (hereinafter referred to as "impact materiality") that the company's performance on these issues might have on the economic, social, and environmental aspects.

Step One	Step Two	Step Three
Identification of Material Issues	Conducting the Double Materiality Assessment	Result Analysis and Targeted Disclosure Enhancement
<ul style="list-style-type: none"> Construct a clear analytical framework and establish explicit evaluation criteria based on key considerations such as domestic and international standards, industry policies, and regulatory requirements; use various methods including peer benchmarking and stakeholder interviews to accurately identify potential material issues for the Company. 	<ul style="list-style-type: none"> Impact Materiality: Comprehensive analysis of the scale, scope, irreversibility, and likelihood of impact on various issues through surveys and questionnaires from internal and external stakeholders. Financial Materiality: Comprehensive analysis by senior management of the Company on the likelihood of risks and opportunities, the continuity of resource use, and the dependency on the relationship to ongoing operations. 	<ul style="list-style-type: none"> The Board of Directors of the Company reviewed and confirmed the analysis results. Based on the results confirmed by the Board, the Company conducted information disclosure and practice improvement work in a result-oriented and targeted manner.

Zhongguo Logistics Double Materiality Identification Process

Following the rigorous analysis process outlined above, we have identified a total of 21 material topics. Among these issues, one topic possesses both financial materiality and impact materiality, that is, double materiality; 1 topic is highly significant at the financial level; and 6 topics have a high degree of impact materiality.



Results of the Double Materiality Analysis for Material Topics

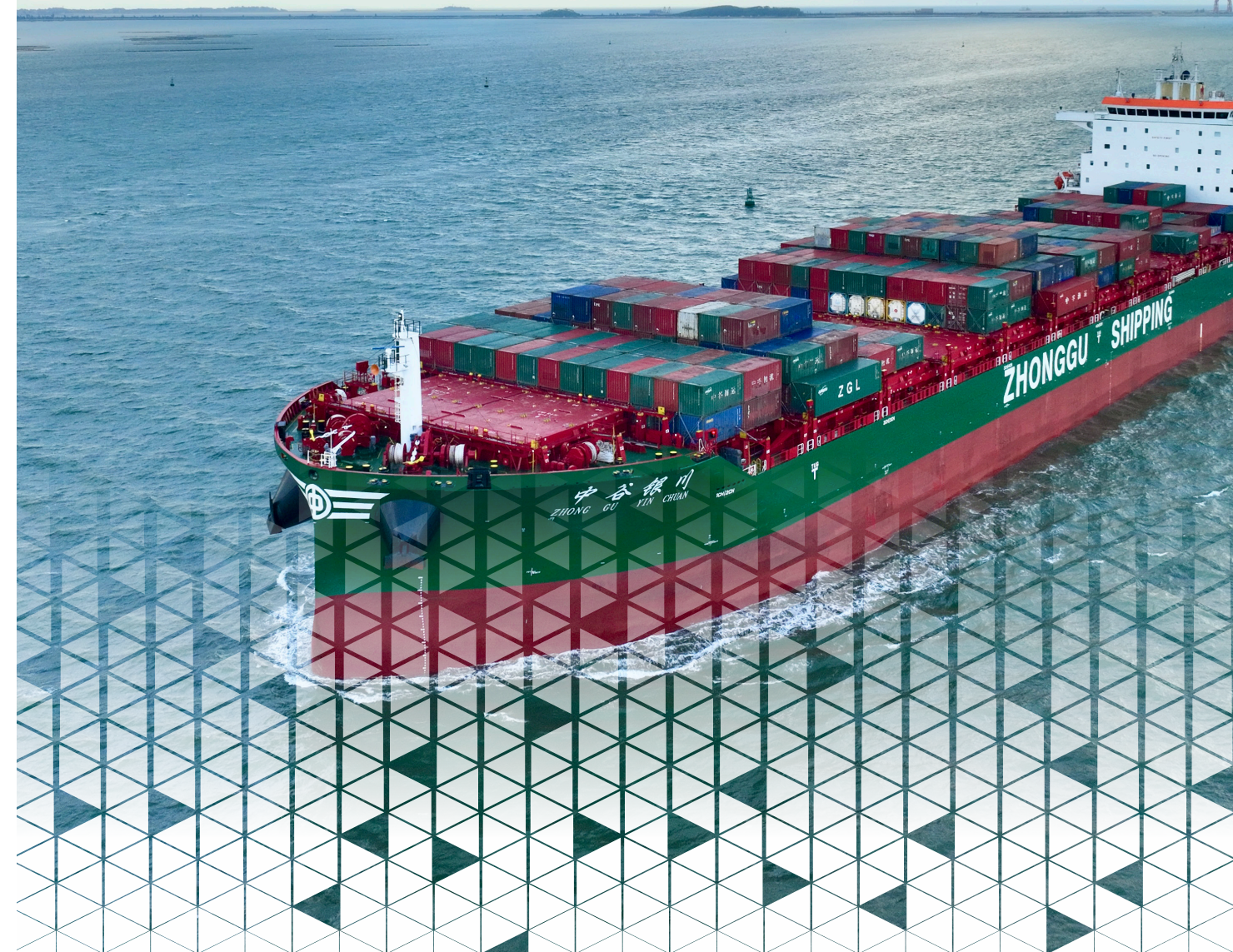
Category	Topics	Impact Materiality	Financial Materiality
Environment	Climate Change	●●●	●●●
Environment	Environmental Compliance	●●●	●●○
Social	Innovation	●●●	●●○
Governance	Stakeholder Engagement	●●●	●●○
Social	Data Security and Customer Privacy	●●●	●●○
Social	Product and Service Safety and Quality	●●●	●●○
Social	Supply Chain Security	●●○	●●○
Social	Technology Ethics	●●○	●○○
Environment	Waste Management	●●○	●○○
Governance	Anti-Commercial Bribery and Anti-Corruption	●●○	●○○
Social	Employee	●●○	●○○
Governance	Anti-Unfair Competition	●●○	●○○
Environment	Emission of Pollutants	●○○	●○○
Governance	Due Diligence	●○○	●○○
Environment	Circular Economy	●○○	●○○
Environment	Energy	●○○	●○○
Environment	Water Resource	●○○	●○○
Environment	Ecosystem and Biodiversity	●○○	●○○
Social	Equal Treatment of Small and Medium-sized Enterprises	●○○	●○○
Social	Public Welfare	●○○	●○○
Social	Rural Revitalization	●○○	●○○



SDGs	Response action of Zhongguo Logistics	SDGs	Response action of Zhongguo Logistics
3 GOOD HEALTH AND WELL-BEING 	Zhongguo Logistics has set up a structured safety and health system. We boost staff safety awareness and emergency response skills with comprehensive training. The Zhongguo Care Fund also offers financial aid, spending 59,000 RMB this year.	10 REDUCED INEQUALITIES 	Zhongguo Logistics upholds fair employment, fostering an inclusive workplace with equal opportunities. We use a strategic talent system to ensure diversity, enhancing our organization's innovation and vitality.
4 QUALITY EDUCATION 	Zhongguo Logistics has efficiently implemented a tiered training plan, completing management training, executive courses, and a standardized system for new hires, along with teaching materials. This aligns talent development with business growth.	11 SUSTAINABLE CITIES AND COMMUNITIES 	Zhongguo Logistics boosts community welfare, with 774 staff in volunteer activities and a 46,756 RMB spend on social initiatives.
5 GENDER EQUALITY 	Zhongguo Logistics prioritizes workplace equity, ensuring a level playing field for career advancement. The Company utilizes varied recruitment channels, upholding diversity and fairness, and consistently refreshing its hiring strategies.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Zhongguo Logistics has refined its container management system, focusing on both system management and route management to ensure quality control, safeguarding the safety and efficiency of all freight logistics segments.
6 CLEAN WATER AND SANITATION 	Zhongguo Logistics has developed a holistic water management system encompassing extraction, storage, use, and treatment. It enables scientific oversight and centralized control of all internal water projects.	13 CLIMATE ACTION 	Guided by green shipping goals, Zhongguo Logistics adheres to global and local emission norms. The Company enhances its fleet's eco-performance and reduces emissions by optimizing ship design, improving energy tech, and applying eco-friendly coatings.
7 AFFORDABLE AND CLEAN ENERGY 	Zhongguo Logistics follows national environmental policies, adopting measures to reduce fuel consumption. It has created a unique fuel efficiency model that promotes the shipping industry's green shift and builds a sustainable operation system.	14 LIFE BELOW WATER 	Driven by technological innovation and management optimization, Zhongguo Logistics has carried out water-saving technology improvements and recycling of wastewater, comprehensively enhancing the efficiency of water resource utilization on ships and their environmental friendliness.
8 DECENT WORK AND ECONOMIC GROWTH 	Zhongguo Logistics enhances its compensation system with a dynamic incentive model focused on skills and performance, informed by market benchmarks. It also implements a feedback system to align employee goals with evaluation metrics, fostering talent and organizational growth.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Zhongguo Logistics strengthens governance and anti-corruption efforts, focusing on supplier integrity training to support sustainable development.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Zhongguo Logistics boosts digital operations, using info management to drive tech innovation in shipping, enhancing efficiency.	17 PARTNERSHIPS FOR THE GOALS 	Zhongguo Logistics enforces a transparent bidding process, ensuring fair procurement and lawful supplier partnerships.

Leading in Low-carbon Shipping

Green development has always been the core strategy of Zhongguo Logistics, which actively leads the new era of low-carbon shipping. In the face of the severe challenge of global climate change, Zhongguo Logistics has always taken China's "dual carbon" goal and the International Maritime Organization (IMO) 2050 decarbonization goal as the lead, continuously improved the climate change management system, and integrated the low-carbon concept into the entire operation process. We continue to optimize ship energy efficiency, explore green technology innovation, provide customers with efficient and environmentally friendly transportation solutions, and promote the green transformation of the shipping industry through practical actions.





Climate Change Management

Under the premise of strictly complying with environmental management compliance requirements, Zhongguo Logistics takes science and foresight as the orientation and actively explores effective ways to alleviate climate and environmental pressure. We have built a complete climate change governance system and, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), systematically identify the risks and opportunities brought by climate change to formulate scientific climate response strategies and action paths. In addition, we have established several climate change response indicators, achieved quantitative assessment and accurate review through continuous monitoring and trend analysis, and ensured the effectiveness and sustainability of response measures.

Climate Change Governance

We integrate the management functions related to climate change into the Company's three-level ESG governance structure and build a transparent communication mechanism to ensure efficient collaboration between each management level, thereby continuously improving the effectiveness of climate change governance.



Structure of climate change governance

Strategy of Climate Change Governance

Zhongguo Logistics has developed a systematic climate change management strategy. Based on climate scenario analysis, the Company identifies and assesses climate-related risks and opportunities, categorizing them into short-term (0-3 years), medium-term (3-10 years), and long-term (over 10 years). Additionally, in response to the identified risks and opportunities, the Company has formulated management strategies and plans to ensure that climate risk management progresses in tandem with business development.

Risk category	Risk name	Risk description	Potential financial impacts	Response strategy
Physical risks	Acute risks	Tsunami, rainstorm and other natural disasters	Increased operational costs: Impairment, write-offs, and early retirement of existing assets. Heightened challenges in transportation.	Conducting future weather research and forecasting in advance. Developing emergency response plans for acute risks, such as the Typhoon Preparedness and Response Guidelines. Conducting emergency drills for extreme weather scenarios.
		Extreme weather conditions such as typhoons and cyclones	Increased operational costs: Impairment, write-offs, and early retirement of existing assets. Heightened challenges in transportation.	
	Chronic risks	Global average temperature rise	Higher operating costs: Changes in shipping lanes result in increased fuel usage and time costs.	Planning alternate routes. Exploring the direction of high-efficiency fuel or future new energy fuel. Actively promoting the application of green shipping technology and indirectly protecting the ecological environment of water transport through measures such as hull design optimization.
		Sea level rise	Higher operating costs: Changes in shipping lanes result in increased fuel usage and time costs, impairment of existing assets, write-offs and early retirement.	
		Ocean acidification and damage to marine biodiversity	Higher operating costs: increased maintenance costs.	

Risk category	Risk name	Risk description	Potential financial impacts	Response strategy	
Transition risks	Policy and legal risks	Requirements and regulatory shifts	Climate change-related legislation is being progressively strengthened globally. The Chinese government has continued to promote green shipping, support the low-carbon transformation of the shipping industry, and strengthen the energy use requirements for enterprises. At the same time, IMO has put forward the requirement of continuous reduction of carbon emission intensity in the international shipping industry in the IMO Initial Strategy for Greenhouse Gas Emission Reduction from Ships. In addition, the introduction of some national laws and regulations or restrictive clauses on climate change and the ecological environment has resulted in certain restrictions or impacts on The Company's operations such as its ocean freight forwarding business, which may give rise to some legal proceedings risks	Higher operating costs: Increased penalties due to elevated compliance risk.	Continuously monitoring possible policy and regulatory trends and conducting timely learning and training. Taking measures to reduce exhaust gas pollution, such as installing nitrogen removal devices. Laying out the carbon market in advance and conducting research on internal carbon pricing mechanism. Actively promoting green energy transformation and exploring green fuel for ships.
	Policy and legal risks	Carbon Markets and Carbon Trading	After the opening of the national carbon market, the price of carbon trading may increase, which in turn will affect The Company's internal environmental management and business decisions and operating costs.	Higher operating costs: Carbon abatement costs rise.	
		Control of air pollution from ships	In 2018, China's Ministry of Transportation and Communications (MOTC) issued the Implementation Plan for Ship Air Pollutant Emission Control Areas. The new Guidelines for the Supervision and Management of Air Pollutant Emissions from Ships will come into force on January 1, 2020, which puts forward new requirements for the statistics and supervision of air pollution from ships.	Higher operating costs: Increased penalties due to elevated compliance risk.	
	Market risk	Rising energy prices	Higher carbon tax costs on crude oil and the application of fuel cleaner technologies have increased the price of fuel oil.	Higher operating costs: Higher fuel prices.	Actively promoting green energy transition and exploring green fuel for ships.
		Changes in Customer Behavior	Customers are making demands related to the reduction of carbon emissions in containerized transport operations or preferring energy-based transport services that produce no or fewer carbon emissions.	Revenues are down: Decline in demand for services.	Studying the extent of green consumption shift in the market.

Risk category		Risk name	Risk description	Potential financial impacts	Response strategy
Transition risks	Technology risk	Research and development of energy-saving and emission reduction technologies	Without systems or new technologies to replace traditional fuels, The Company could be impacted by increases in fossil fuel prices and regulatory compliance.	Higher operating costs: Increased R&D efforts and higher R&D costs.	Actively promoting green energy transformation and exploring green fuel for ships.
	Reputational risk	Disclosure of information relating to environmental performance	Investors, regulators, customers and other stakeholders are demanding higher disclosure requirements from the shipping industry in addressing climate change. If management is not compliant or environmental performance disclosure is not thorough, it will affect corporate reputation and damage corporate image.	Revenues are down: Decline in demand for services.	Continuously disclosing sustainability information and improving the level of detail of its own disclosure.
			Intense inter-firm competition for environmental performance	Investors and customers may choose competitors with better environmental performance, resulting in lower revenues for The Company	Revenues are down: Decline in demand for services.

Zhongguo Logistics adheres to the strategic mindset of "turning challenges into opportunities" and has established a systematic mechanism for identifying and assessing climate-related opportunities. Against the backdrop of accelerating global climate governance, the Company deeply recognizes that climate change is not only a challenge but also a strategic opportunity. We precisely seize the market opportunities brought by the climate transition, focusing on emerging fields such as green shipping. Through forward-looking business strategies and innovative service models, we continuously enhance our core competitiveness in the green logistics sector.

Opportunity type	Climate-related opportunities	Definition of opportunities	Response strategy
Energy sources	Transformation of the energy mix	There will be more green energy possibilities for the shipping industry in the future, such as green fuels and expansion of shore power installations.	Continuously strengthening the green ship system to ensure business continuity by increasing the use of renewable energy.
Resource efficiency	Resource efficiency gains	The "bulk-to-container" and "Through B/L System" modes of transportation will enhance resource efficiency in the transportation process, for example, by reducing packaging losses of materials.	Continuously exerting the advantages of intelligent asset scheduling and bulk-to-machine transportation to grasp the opportunities of green logistics transformation in the mode of resource intensification.
Products and services	Low-carbon product and service innovation	As the global low-carbon requirements for businesses become more stringent, customers will favor green products and green markets in the future.	Researching low-carbon products, continuing to promote the "Through B/L System" transportation model, and continuing to disclose its low-carbon performance.

Opportunity type	Climate-related opportunities	Definition of opportunities	Response strategy
Market	Marketing and customer development	Compared to other transportation methods, such as air freight, road transport, and rail transport, shipping demonstrates superior performance in reducing CO ₂ emissions per ton-kilometer. Additionally, shipping exhibits higher adaptability to certain extreme weather conditions, such as heavy snowfall. As a result, as customers gain a deeper understanding of their own needs, an increasing number of them may shift their transportation preferences toward shipping.	Continuously promoting transportation models such as "bulk-to-container" and "Through B/L System", while actively expanding customer needs to meet their demands for a greener market.
Resilience	Increased supply chain resilience	The "Through B/L System" transportation model will enhance supply chain efficiency and resilience, while also promoting data sharing across the supply chain.	Deepening supply chain collaboration and working jointly with supply chain partners to improve logistics efficiency and drive the green transformation of the shipping industry.

Risk Management

Zhonggu Logistics has established a systematic climate change risk management mechanism by incorporating the climate change risk management system into the Company's overall risk management framework. The Company has established a full-process management system from risk identification, assessment to response, ensuring that all kinds of climate risks are under control. In terms of physical risk management, the Company adopts a dual guaranteed strategy of "system + technology". On the one hand, it improves the organizational structure and system of risk management, and on the other hand, it strengthens technological investment and facility upgrades, effectively ensuring the stable operation of business. At the same time, the Company fully leverages its own technical advantages, deeply integrates the low-carbon development concept into product research and development and service innovation, actively grasps the development opportunities brought by climate change through the development of green ships and green shipping solutions, and continuously promotes the green transformation of the shipping industry.



Institutional guarantee

• Zhonggu Logistics has established a systematic climate risk emergency management system. By formulating and implementing specialized plans such as the Ship/Shore Emergency Manual and the Instructions on Typhoon Prevention and Resistance, the company has built a comprehensive mechanism to respond to extreme weather conditions. Regular emergency drills and training sessions are conducted to ensure the effective implementation of all preventive measures. Through the adoption of proactive management practices, the company has effectively safeguarded crew safety, vessel integrity, and cargo security, providing reliable safety assurance for business operations and ensuring the stable functioning of its service network.



Technical guarantee

• On ocean routes, the Company innovatively introduced professional meteorological navigation services, and built an intelligent route optimization system through cooperation with internationally renowned meteorological agencies, which effectively avoided navigational risks brought by extreme weather, such as typhoons and rainstorms, and significantly enhanced the operational efficiency of the vessels. During the reporting period, the Company's fleet achieved a safe operation record of zero meteorological accidents, laying a solid foundation for the continuous improvement of shipping safety management level.



Emergency management

• The Company sets up emergency response teams for extreme weather, such as typhoons, and holds meetings on typhoon prevention to carry out analysis and notification of typhoons and release them in the typhoon prevention work group. After the extreme weather, the marine supervisor promptly follows up the ship to check the damage, summarizes and reports to the typhoon prevention group, and the engine supervisor arranges to guide the ship to repair and provide necessary support.



Energy efficiency improvement

• Promote green ship design and protect the marine ecosystem by optimizing the longitudinal inclination of ships and using harmless paints.

• Enhance energy efficiency and reduce energy consumption and emissions by increasing the installation rate of shore power equipment on ships.

Metrics and Targets

Zhonggu Logistics has incorporated climate change-related indicators into the scope of data collection and management, and regularly discloses relevant data to enhance information transparency. During the reporting period, the climate change-related indicators are as follows:

Indicator	Unit	2024	2023	Changes
Category 1 Total GHG emissions	Ton of CO ₂ equivalent	807,147.24	1,005,206.41	-19.70% ↓
Category 2 Total GHG emissions ³	Ton of CO ₂ equivalent	2,716.65	1,765.64	53.86% ↑
Total GHG emissions	Ton of CO ₂ equivalent	809,863.89	1,006,972.05	-19.57% ↓
GHG emissions intensity	Ton of CO ₂ equivalent/ million RMB	71.94	80.95	-11.14% ↓
Total direct energy consumption	kWh	3,075,916,402.69	3,745,413,597.62	-17.88% ↓
Gasoline	kWh	1,436,680.23	1,622,251.42	-11.44% ↓
Diesel	kWh	242,131,725.18	310,356,964.81	-21.98% ↓
Low sulfur fuel oil	kWh	2,806,590,130.45	3,409,340,532.30	-17.68% ↓
Lubricating oil	kWh	25,757,866.83	24,093,849.09	-6.91% ↓
Total indirect energy consumption	kWh	5,062,713.69	1,678,000.00	201.71% ↑
Purchased electricity ⁴	kWh	5,062,713.69	1,678,000.00	201.71% ↑

³ The emission factor used there is the national average carbon dioxide emission factor for electricity of 0.5366kgCO₂/kWh within the Announcement on the Publication of CO₂ Emission Factors for Electricity in 2022 issued by the State Ministry of Ecology and Environment on 26 December 2024

⁴ The scope of the 2024 purchased electricity data has been optimized and revised from previous year. The scope of the 2024 data includes total purchased electricity for ship production and operation and total purchased electricity for office administration.

Low-carbon Sailing

Zhonggu Logistics has established a low-carbon management system that covers the entire value chain, integrating the concept of green ships into strategic planning, operational management and organizational culture construction. In terms of emission reduction practices, the Company uses technical means such as speed optimization and route planning to significantly improve the energy efficiency of ships. At the same time, the Company promotes a green office plan involving all employees, achieving dual improvements in environmental benefits and operational efficiency.

Green Ships

Zhonggu Logistics always adheres to the operation concept of "green ship", takes "whole life cycle green management" as the guidance, and builds a systematic green ship operation system. Through multi-dimensional elements such as ship design optimization and environmental protection paint use, it continuously promotes the green upgrade of ship performance.



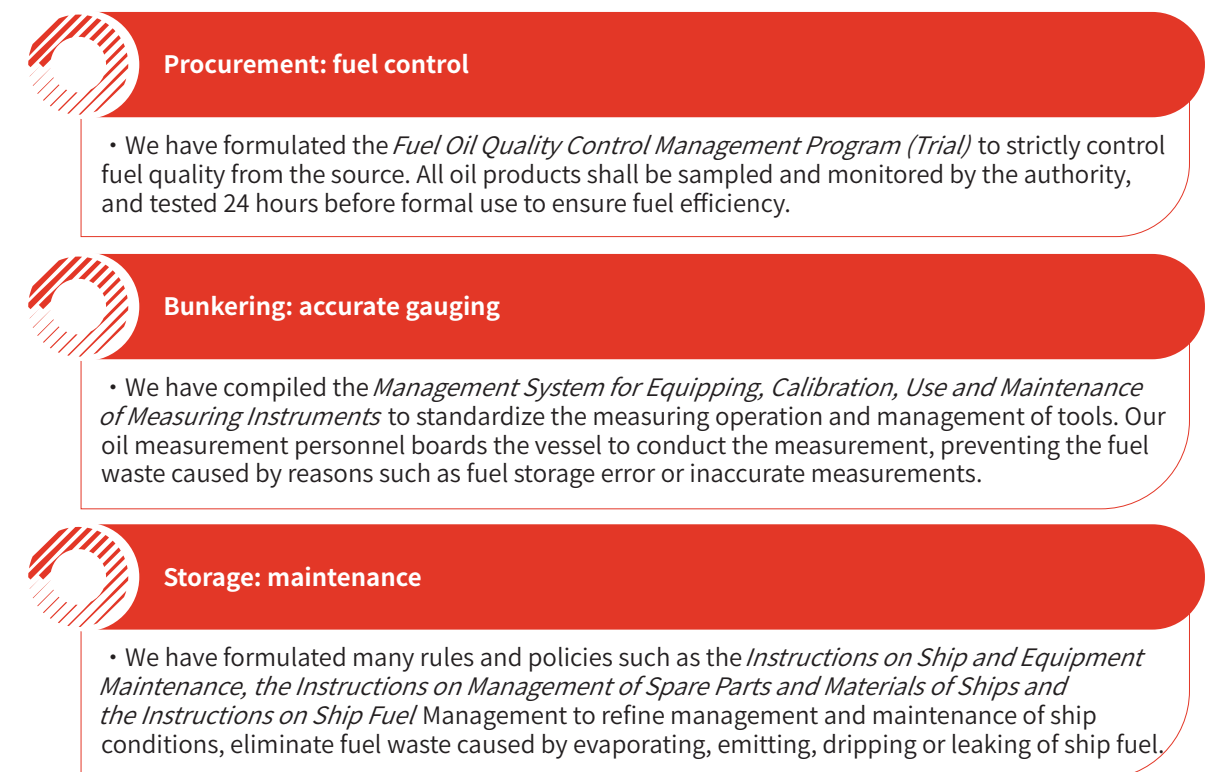
⁵ PMS System: Planned Maintenance System, which is a computerized management system used in ship management to plan and perform equipment maintenance.

In the field of green ship technology innovation, Zhonggu Logistics has made a breakthrough by implementing the trim optimization project⁶, which has pioneered a new model for energy conservation and emission reduction in the shipping industry. By December 31, 2024, this project had saved 744.968 tons of fuel for the Company through fine management and technological innovation, significantly reducing carbon emission intensity. At the same time, Zhonggu Logistics has established a complete database and operating procedures, providing valuable technical reserves for the subsequent operation of self-operated ships on domestic trade and foreign trade routes. This innovative practice not only demonstrates Zhonggu Logistics' technical strength in the field of green shipping, but also provides replicable low-carbon solutions for the industry, effectively promoting the sustainable development process of the shipping industry.

At the same time, in the maintenance and maintenance of ships, Zhonggu Logistics strictly implements the green and environmental protection concept, establishes a strict paint procurement and use standard system, and comprehensively adopts environmentally friendly harmless paints. In the process of ship dock repair and daily maintenance, we give priority to the selection of low VOC (volatile organic compounds) content of environmental protection paint, which significantly reduces the impact of harmful substances on marine ecology.

Fuel Management

Zhonggu Logistics has established a systematic energy management system, taking fuel efficiency management as the core approach to achieve low-carbon transformation in shipping. The Company innovatively constructed a three-in-one fuel efficiency improvement plan of "system + technology + management": at the system level, it formulated the Energy Management System and the *Zhonggu Logistics Fuel Management Measures* covering the entire fleet, implementing full life cycle management of the fuel supply chain; at the technical level, the Company used the ship monitoring system to optimize routes in a timely manner, achieving refined management of fuel; at the management level, the Company took multiple measures to save fuel use, forming a fuel efficiency management model with Zhonggu characteristics, further promoting the green transformation of the shipping industry.



⁶ The trim optimization project refers to adjusting the ship's draft depth and the difference between the fore and aft drafts (trim angle) in the water to alter the ship's hydrodynamic characteristics, thereby reducing navigation resistance and improving fuel efficiency.



Usage: route optimization

- We have formulated many rules and policies such as the Instructions on Ship and Equipment Maintenance, Instructions on Management of Spare Parts and Materials of Ships and Instructions on Ship Fuel Management to refine management and maintenance of ship conditions, eliminate fuel waste caused by evaporating, emitting, dripping or leaking of ship fuel.



Supervision: Examination of Abnormalities

- In daily fuel consumption management, the company analyzes the consumption statistics curve, carries out timely examination of abnormal consumption to avoid waste of fuel consumption, and carries out carbon intensity tracking and management for ships on international routes.

Management Process of Ship Energy Consumption

The comprehensive and systematic ship energy consumption management system has brought significant benefits to Zhonggu Logistics' energy conservation and emission reduction work. During the reporting period, the fuel consumption per 100 nautical miles of Zhonggu Logistics' self-operated fleet was 8.04 tons/100 nautical miles, a decrease of 7.2% compared with 2023.

Green Office

Zhonggu Logistics actively practices green office and takes the initiative to build a concept and atmosphere of green and low-carbon participation for all employees within The Company. The Company not only systematically transforms its office premises into green ones, but also instills the concept of green office in all employees in daily office management. During the reporting period, Zhonggu Logistics further promoted green office measures and endeavored to root the concept of low-carbon environmental protection in the daily work of every employee.



- The Company office unified management of office printing equipment, requiring employees to use double-sided printing as far as possible to avoid paper waste.



- Call on employees to turn off the electricity when not required..
- Power supply in the office area is divided into zones, and the number of lights is appropriately reduced for overtime work on holidays.



- Adopt induction water collection for hand washing, stopping when not in use, effectively avoiding the waste of water resources.



- Encourage employees to give priority to high-speed rail, train, subway and other public transportation to reduce carbon emissions during travel.

Green Office Management

Ecological Co-construction



Zhonggu Logistics regards environmental compliance management as the cornerstone of sustainable development and has established a multi-level environmental risk prevention and control system. The Company strictly follows international regulations such as the *International Maritime Organization (IMO) Convention*, the *International Convention for the Prevention of Pollution from Ships (MARPOL)*, and the anti-pollution convention, as well as environmental protection laws and regulations in the places where it operates, to build a comprehensive environmental management system covering resource management, exhaust gas management, waste management, etc.

Water Management

Water resource management is the core link of Zhonggu Logistics' implementation of the ecological priority strategy. The Company has formulated the *Ship Water Resource Management Plan* and the *Implementation Plan for Reducing Freshwater Consumption of Domestic Trade Ships* internally and established a full-process water resource management system covering water intake, storage, use and sewage treatment. At the same time, the Company strictly controls the waste of water resources caused by equipment leakage, and actively cultivates the water-saving awareness of crew members. In 2024, our total amount of water circulation and reuse reached 455 tons.



Less freshwater consumption

- Implementing a cross-sectional comparison among ships in the water consumption, we've identified the measures for reducing freshwater use and taken such measures in the fleet. We usually used river water to clean the decks of our ships to reduce the freshwater consumption.

Seawater desalination

- Each vessel of Zhongguo Logistics is equipped with a freshwater generator during international voyages, the distilled water is stored in a freshwater tank for daily life, engine-room equipment and cooking.

During the reporting period, our water consumption and discharge were as follows:

Category	Subcategory	Unit	2024	2023	Change	
Water consumption	Total water consumption	ton	96,470.00	101,562.70	-5.01%	↓
	Water intensity	ton/RMB million	8.57	8.16	5.01%	↑

For wastewater management, Zhongguo Logistics strictly complies with laws and regulations such as the *Water Pollution Prevention Law of the People's Republic of China*, the *Marine Environmental Protection Law of the People's Republic of China*, the *Regulations on the Prevention of Marine Environmental Pollution by Ships*, the *Emission Standards of Pollutants from Ships*, and the International Convention for the Prevention of Pollution from Ships, and implements the requirements for compliance discharge and treatment of vessel wastewater. We classify domestic wastewater and engine room sewage of vessels and establish strict management systems and comprehensive compliance guarantees to avoid pollution of the marine environment.

Oil wastewater management

- **Refined management:** Through process analysis, review and summary, we have reduced the slag yield of residues after cooking oily sewage, implementing the system of accountability for ships that exceed the standards.
- **Emission supervision:** For the discharge of oily wastewater, each vessel for foreign trade is equipped with an oil-water separator and a 15 PPM monitor. For the purpose of traceability, the fleet timely records the discharge of oily wastewater in the Oily Wastewater Logbook, and the maintenance department regularly inspects the ship's wastewater control facilities onboard.
- **Optimization and rectification:** The Company actively seeks problems through interviews on all our self-owned vessels to check the generation, management and discharge of oily wastewater from ships, and propose rectification measures for the problems found.

Ballast water management

- **Reasonable planning:** In accordance with the *International Convention on the Control and Management of Ships' Ballast Water and Sediments* issued by the IMO, Zhongguo Logistics has developed ballast water-related management plans to ensure compliance in terms of ballast water.
- **Technical upgrade:** All of the Company's current ballast water treatment systems adopt the technical means of mechanical treatment (filtration) and physical treatment (nitrogen asphyxiation method) to continuously improve the efficiency of ballast water treatment.
- **Certification guarantee:** All ships of the Company have complied with the D-2 standard (*Biological and Hygienic Standards for Ship Ballast Water Treatment*) since 2017, and all ship ballast water treatment systems are in compliance with USCG certification.

Domestic sewage management

- **Storage compliance:** Our vessels are equipped with domestic wastewater storage tanks and the off-board direct sea valve is cut off to eliminate non-compliant storage.
- **Efficient disposal:** All domestic wastewater must be treated by domestic wastewater treatment devices. We regularly cultivate microorganisms and apply disinfectant tablets to reduce the pollutants in domestic sewage.
- **Emission control:** The domestic wastewater is discharged into the sea 12 nautical miles away after being pulverized in strict accordance with the discharge rate requirements. The qualified domestic wastewater after biochemical treatment may be pulverized and discharged to places 3 nautical miles offshore according to the discharge rate. In waters where discharge is not allowed, such as the inland sea of China, any wastewater is taken back to shore for disposal.

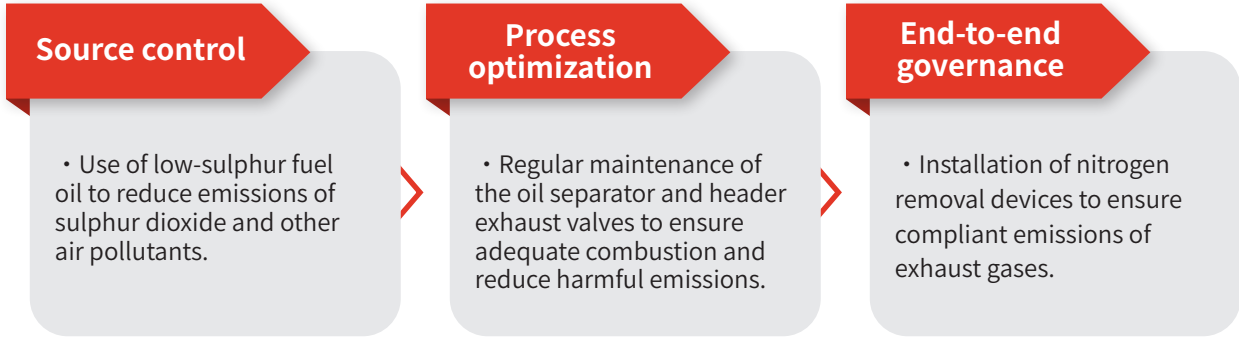
Wastewater Management

During the reporting period, our water consumption and discharge were as follows:

Category	Subcategory	Unit	2024	2023	Change
Wastewater	Production wastewater	Ton	12,110.60	11,858.20	2.13% ↑
	Domestic wastewater	Ton	4,807.00	2,296.54	109.31% ↑
	Total amount of wastewater discharge ⁸	Ton	16,917.60	14,154.74	19.52% ↑
	Wastewater discharge intensity by revenue	Ton/million RMB	1.50	1.14	31.81 ↑

Waste Gas Management

Zhongguo Logistics has established a systematic air pollution prevention and control system, strictly adhering to the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Implementation Plan for Ship Air Pollutant Emission Control Area*. The Company innovatively formulated the *Implementation Guidelines for Air Pollution Emission Control Areas in Chinese Waters for Ships*. Through a comprehensive management approach of "source control + process optimization + end treatment," Zhongguo Logistics has significantly reduced the impact of ship operations on air pollution in port cities and coastal areas.



Management Process of waste gas

Zhongguo Logistics installed denitrification devices

In August 2024, Zhongguo Logistics retrofitted three of its 4600-series vessels, namely the "Zhongguo Wuhan," "Zhongguo Nanchang," and "Zhongguo Chengdu," with denitrification devices at COSCO Shipping Heavy Industry in Shanghai. This initiative aimed to ensure compliance with relevant emission regulations and meet the required environmental standards.



Denitrification Devices Installation

⁷ The main reason for the increase in domestic wastewater in the reporting period was the increase in the number of owned office premises in various branches.

⁸ The total amount of wastewater discharge contains production wastewater and domestic wastewater, of which the production wastewater is only the production wastewater generated in the process of ship transportation that does not meet the emission regulations, and other production wastewater in the grain flow are in strict compliance with the relevant national laws and regulations, and are discharged into the ocean after treatment and compliance with the discharge conditions.

Our waste gas emissions during the reporting period are as follows:

Category	Subcategory	Unit	2024	2023	Changes
Waste gas	Nitrogen oxide	Ton	21,005.81	25,517.07	-17.68% ↓
	Sulfur oxides	Ton	2,414.46	3,690.00	-34.57% ↓
	Particulate matter	Ton	519.66	631.26	-17.68% ↓
	Total waste gas emissions	Ton	23,939.93	43,115.06	-44.47% ↓
	Waste gas emission intensity by revenue	Ton/million RMB	2.13	3.47	-38.72% ↓

Waste Management

Zhongguo Logistics strictly adheres to domestic regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Marine Environmental Protection Law of the People's Republic of China*, as well as international standards like the *International Convention for the Prevention of Pollution from Ships* (MARPOL). The Company has established institutional guidelines such as the Instructions for Ship Pollution Prevention and Management, the Pollution Prevention Codes to ensure systematic and regulated management. Additionally, we require all vessels to rigorously implement the *Ship Garbage Management Plan*, ensuring precise classification of waste oil, domestic garbage, and other types of waste to enhance waste management efficiency.

For oily hazardous wastes such as sludge and dirty oil, we do the decommissioning through qualified receiving units. At the same time, we carry out on-site supervision and measurement of dirty oil and water removal by the Fuel Oil Supervision Department to prevent the loss of normal fuel oil. In the agreements signed with suppliers, we emphasize formal operation to prevent pollution of dirty oil and fuel oil theft and sale, and to avoid potential harm to the environment. As of the end of the reporting period, we safely removed a total of 2,684 cubic meters of dirty oil and water without any violation of the law.

For the remaining general waste, we strictly followed the regulations to categorize and decommission it for receiving and disposal. During the reporting period, our waste discharge was as follows:

Category	Subcategory	Unit	2024	2023	Change
Waste	Total amount of non-hazardous waste ⁹	Ton	418.00	675.20	-38.09% ↓
	Non-hazardous waste emission intensity	Ton/million RMB	0.04	0.05	-25.74% ↓
	Total amount of hazardous waste ¹⁰	Ton	1309.34	1,551.00	-15.58% ↓
	Hazardous waste emission intensity	Ton/million RMB	0.12	0.12	0%

⁹ Non-hazardous waste consists of ship solid waste recycling decommissioning and office and household waste.

¹⁰ Hazardous waste includes oil sludge and batteries, with the latter starting to be counted for the first time in 2023.

Deeply Exploring Customer Value

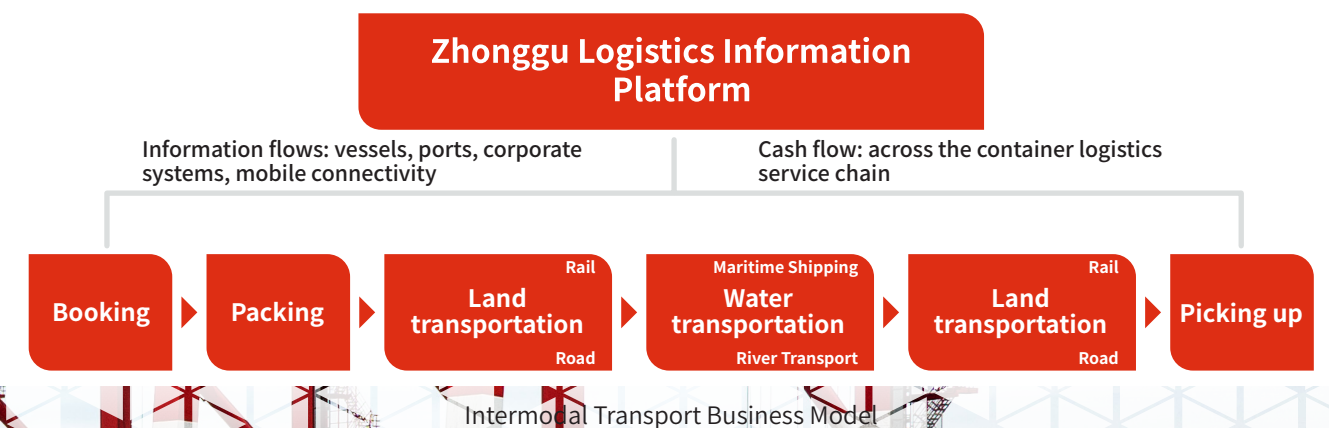
With the corporate mission of "Change the Logistics Pattern in China by Containers", driven by globalization and industrial upgrading, we build an intelligent logistics system with standardized containers as the core carrier, and based on the Internet of Things, big data and other cutting-edge technologies, we create a safe, reliable, efficient, accurate and environmentally friendly Through B/L System intermodal transport solution for our customers. Through continuous optimization of digital operation network and intelligent service process, we deeply integrate science and technology innovation into each link of the supply chain, strive to improve the efficiency of resource allocation and the level of low-carbon operation, and are committed to creating a new supply chain paradigm with long-term competitiveness and ecological value with our customers.

Building Excellent Service

Relying on a standardized operation and management mechanism, Zhongguo Logistics is flexible in responding to the new trend of market changes. We are actively expanding diversified routes, continuously improving service quality and optimizing customer experience, and are committed to providing customers with green, efficient, safe and convenient all-round logistics services.

Diversified Routes

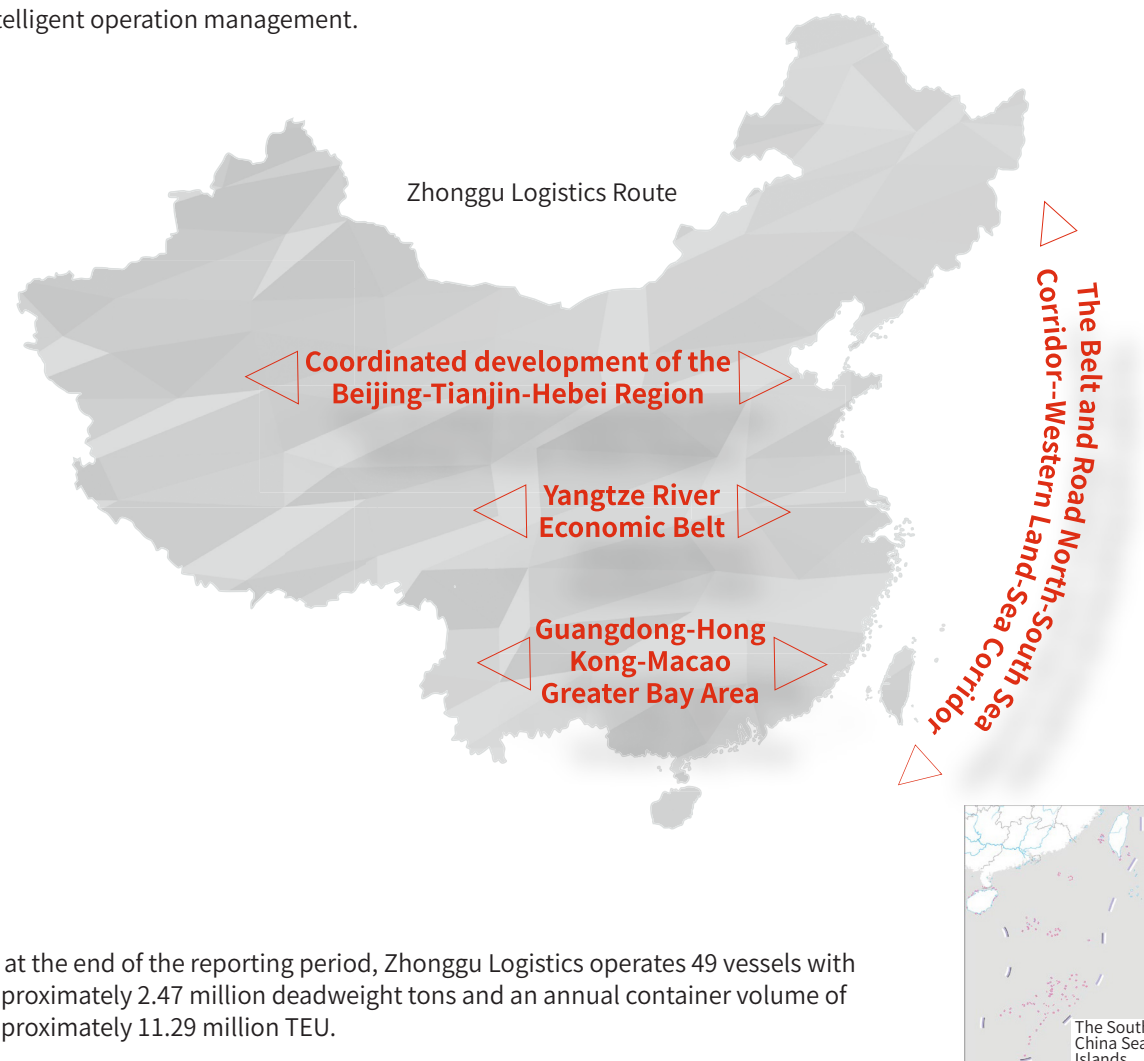
Based on the Zhongguo Logistics information platform, we have built a full-process transport service from booking to picking up cargos. Relying on the independently developed the *Zhongguo Logistics Intelligent Information Management System*, we have achieved seamless integration and intelligent dispatching of shipping, railway, road and other modes of transport. Through the visualized tracking platform and electronic document system, customers can grasp the dynamics of goods in transit in real time and complete the whole process of online business operation. Based on the data-driven transport path optimization model, we dynamically match capacity resources with customer demand, effectively improve timeliness and delivery certainty, building a transparent, controllable and traceable digital supply chain ecosystem for our customers while lowering comprehensive logistics costs.



Domestic trade routes

As of the end of the reporting period, Zhonggu Logistics had established a domestic trade route network covering the coastline and major river basins, forming a three-dimensional shipping network layout covering coastline and inland trunk lines of China, specifically including more than 60 coastal trunk lines, more than 30 Yangtze River Basin routes and more than 160 Pearl River Basin routes. The network radiates 25 core coastal hub ports and more than 50 key inland river ports across the country. Through the systematic integration of port and shipping resources and the construction of multimodal transport mode corridors, an efficient and hierarchical integrated logistics service system is built.

In terms of strategic layout, we rely on the three horizontal transportation corridors formed by the Yangtze River golden waterway, Pearl River shipping trunk line and coastal routes, superimposed with north-south vertical sea lanes, to build a “three horizontal and one vertical” shipping backbone with strategic depth characteristics. Through the coordinated development of port clusters, coordinated trunk and branch routes and seamless intermodal transport, efforts are being made to promote the construction of a modern shipping and logistics corridor to achieve the deep integration of the river basin economic belt as well as the coastal economic circle. In response to our customers' core demand for logistics quality, we focus on building a boutique express network connecting major coastal hubs. Providing customized maritime solutions with timeliness and reliability through high density liner service, priority berth protection and intelligent operation management.



As at the end of the reporting period, Zhonggu Logistics operates 49 vessels with approximately 2.47 million deadweight tons and an annual container volume of approximately 11.29 million TEU.

Foreign trade routes

Actively responding to the national strategic approach of “take the domestic cycle as the mainstay and let the domestic and international cycles promote each other”, with the existing advantages in domestic trade network, Zhonggu Logistics focuses on the development pattern of double circulation and continues to deepen and expand the nearshore business. During the reporting period, Zhonggu Logistics leased some of our vessels through the time charter model, with business scope covering 5 overseas countries and 12 ports at home and abroad, successfully connecting domestic and foreign trade transportation industry chain, further consolidating the advantageous position of Zhonggu Logistics in the field of foreign trade.



Building Core Advantages and Sincere Service First

- Comparing with the original CCA mode of foreign trade barges, the WGO (water gate) mode has lower costs and higher efficiency, freeing customers from the constraints of CCA, reducing the overall efficiency and cost, providing customers with diverse choices, and forming the core competitiveness of Zhonggu Logistics' foreign trade routes.



Leveraging Platform Resources for Synergistic Development

- Mobilizing domestic trade barge resources, integrating and optimizing the barge route allocation between Wuzhou and Nansha, forming a win-win situation in terms of efficiency and benefits, and creating high-quality foreign trade services.



Establishing a Seamless Service System with Comprehensive Assurance

- Through end-to-end operational synergy and dedicated one-on-one client guidance, we streamline processes to save time, reduce complexities, and enhance peace of mind, elevating the overall customer experience to unprecedented levels.



Establishing an Excellent Brand and Striving for Perfection

- Breaking out of the geographical limitations of Nansha Port, integrating domestic trade port, container, and barge resources, combining domestic trade experience, extending and expanding the reach of foreign trade, building excellent reputation and credibility for Zhonggu brand.

New model of internal and external double circulation



Quality Assurance

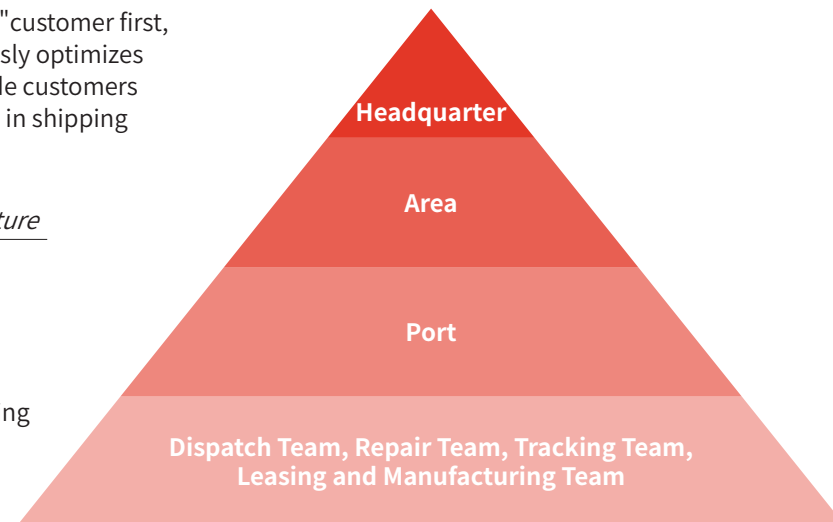
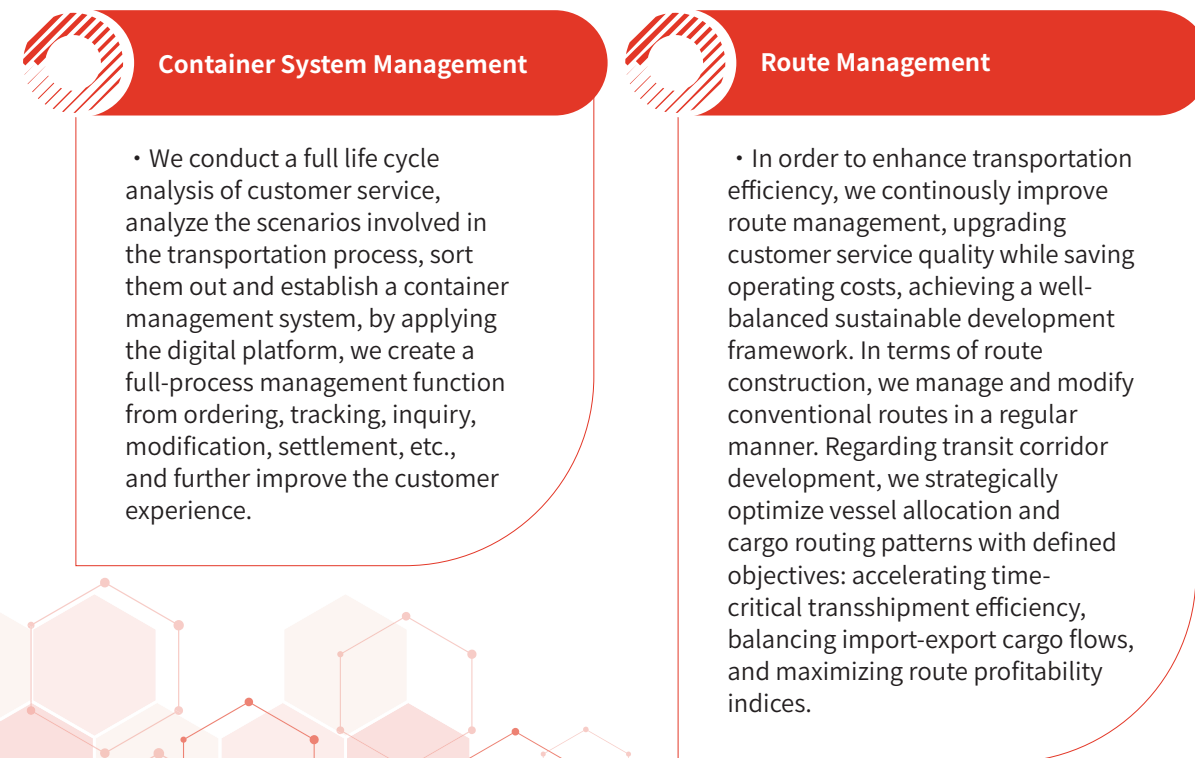
Always adhering to the core philosophy of "customer first, quality first", Zhonggu Logistics continuously optimizes the packing management system to provide customers with an outstanding and stable experience in shipping services.

Container Management Governance Structure

We have established a four-level management structure from headquarters to various functional departments. Within each department, we actively pursue flat management and are committed to reducing the negative impact of redundant human resource structure on business promotion efficiency.

Container Management System

We have established a sound container management system to implement quality management from both container management system and routing management, to ensure safe and efficient freight transport links.



Customer Management

Adhering to the core philosophy of "Customer satisfaction is our pursuit," Zhonggu Logistics continuously enhances the customer service standards. We constantly optimize our customer service, proactively address customer needs, and are committed to comprehensively improving customer management and enhancing the overall customer experience.

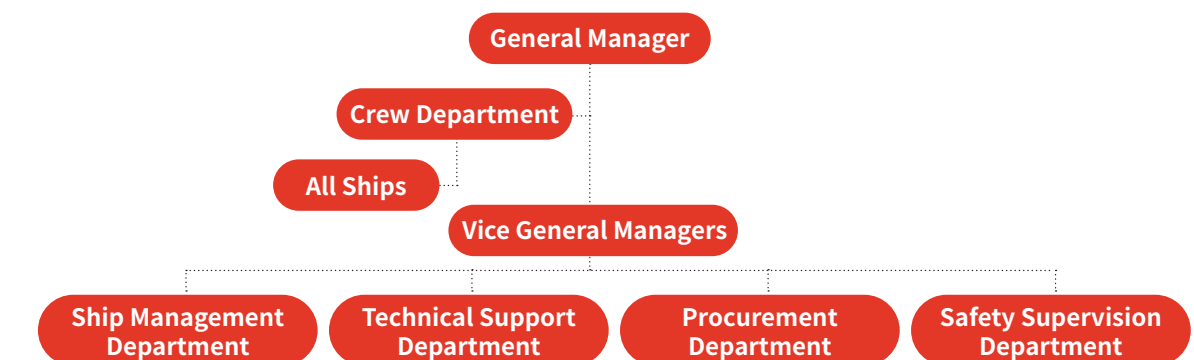
Optimizing Customer Service

On the basis of ensuring route safety, Zhonggu Logistics continues to boost ship operation capabilities and provide customers with efficient and stable shipping services.

Road Safety Assurance

Safe and stable navigation conditions are the foundation of Zhonggu Logistics' development. During the reporting period, we established two management structures for navigation safety, which are applicable to personnel related to the Company's safety management system (SMS) management organization (hereafter referred to as "onshore employees") and all crew members of each vessel.

Our subsidiary Yingkai Shipping has formulated an efficient structure directly managed by the general manager for onshore employees. The general manager oversees five deputy general managers, who are respectively in charge of the Ship Management Department responsible for the specific operations of the vessels, the Technical Support Department responsible for cutting-edge technological innovation, the Procurement Department responsible for the purchase of fuels and other materials, and the Safety Supervision Department responsible for overseeing and managing safety operations. In addition, the Crew Department responsible for managing ship members and related matters is directly managed by the general manager. All departments perform their respective duties, strictly implement daily management based on the *Company Onshore Employee Responsibilities* to ensure optimal management.



Responsibility framework for Yingkai Shipping Onshore Employees

For all crew members on board, we have established a responsibility framework with the ship's captain as the ultimate responsible person. In our *Company Crew Responsibilities*, we have strictly defined the specific duties and navigation rules for all crew members, requiring carrying out navigation work in strict accordance with the regulations and rules, implement a full responsibility system, and jointly maintain the safety and navigation order of the ship.

During the reporting period, Zhonggu Logistics conducted a total of 25,728 hours of quality and safety-related training, covering all company employees.

Measures to Enhance Ship Operating Capacity

Under the premise of ensuring navigation safety, we have adopted a series of measures to continuously optimize the operating capacity of our ships. These initiatives mainly revolve around two dimensions, including the upgrade and optimization of the ship's own operating conditions, as well as the cultivation and enhancement of crew members' operational awareness and sense of responsibility.

Ship Speed-up Retrofit

The maximum rotational speed of Zhongguo Logistics' City Series vessels has been maintained at 113rpm during long-term operation, operating under the optimal performance of main engines. During the reporting period, to enhance the operational efficiency of the vessels, the competent technical department conducted detailed testing and analysis of the main engines' thermodynamic parameters, including key indicators such as rotational speed, power, explosion pressure, and fuel consumption. On the premise of ensuring safety, the technical personnel decided to adjust the operating parameters of the main engines. Based on the test results and actual operational requirements, the maximum operating rotational speed of the main engines was increased to 116rpm. To ensure the safe operation of the main engines, the technical personnel carefully inspected the explosion pressure according to the load conditions, ensuring operating below the safety limit of 145bar. We also made reasonable adjustments to the maximum fuel limit of the main engines, controlling it within 48% of the throttle scale to avoid engine overload and fuel wastage, thereby significantly improving the operational efficiency of the main engines on the City Series vessels.

Ship Monitoring and Satellite Navigation System

During the reporting period, we upgraded the equipment on five vessels, namely Zhongguo Nanjing, Zhongguo Chongqing, Zhongguo Wuhan, Zhongguo Nanchang, and Zhongguo Chengdu. A series of satellite communication devices were updated for each vessel, providing strong support for their operation on international trade routes. During operation, all vessels' equipment functioned normally and was recorded, effectively enhancing the navigation safety and communication capabilities of the vessels. Meanwhile, as one of our important measures to promote safe navigation and digitalized/intelligent maritime operations, the installation of CCTV monitoring systems continued progress. As of the end of the reporting period, all our vessels have been equipped with CCTV monitoring systems, enabling real-time monitoring of various areas on the vessels. This has further strengthened the safety management level and emergency response capabilities of the vessels. Through equipment upgrades and the installation of CCTV monitoring systems, the navigation safety and digitalized/intelligent management level of our vessels have been significantly improved.

Crew Excellence Recognition Program

To recognize ships and crew members who have excelled in their operations, we have established a recognition program for outstanding ships and crew members. The evaluation process strictly follows the guidelines outlined in the evaluation notice issued by the Safety Supervision Department, ensuring fairness, impartiality, transparency, and objectivity. We select "Excellent Ships" based on their outstanding performance in all aspects, including safety, efficiency, and environmental protection. "Excellent Crew Members" must demonstrate a strong work ethic, a proactive attitude, and an innovative spirit. They should be able to solve technical problems on board, serve as role models within the team, and achieve excellent results in peer evaluations. We present gifts ranging in value from 800 to 5,000 RMB to the awarded crew members, along with medals, certificates, and other honorary proofs, to acknowledge their outstanding contributions to the Company. We believe the program will further motivate all crew members to continue pursuing excellence and drive the business to next level.

Satisfying Customers Demands

We actively improve our customer satisfaction survey mechanism and invite customers to participate in satisfaction surveys through diverse channels such as the Zhongguo e-commerce platform, WeChat Official Account, and WeChat Moments.

We continuously strive to increase the coverage of our customer satisfaction surveys, encouraging customers to share their genuine experiences with Zhongguo Logistics services by offering incentives such as coupons. It helps us identify areas waited for improvement and optimize our service levels. During the survey process, we attach great importance to customer privacy and ensure that all questionnaires do not involve personal customer information. We conduct follow-up interviews with customers who express lower satisfaction levels, documenting the reasons in detail, promptly reviewing and continuously tracking the issues.

During the reporting period, Zhongguo Logistics distributed satisfaction surveys to a total of 1,749 active booking customers, with 986 responses received, representing a response rate of 56.4%. In 2024, the overall customer satisfaction rate for the Company was 93.2%. We conducted a summary analysis of each customer feedback and formulated follow-up rectification measures, clarifying the responsible departments and rectification deadlines. For reasonable suggestions and demands raised by customers, we actively adopted them and developed corresponding improvement measures to ensure effective problem resolution. We also strengthened communication and exchange with customers, promptly providing feedback on progress, and won the understanding and support of our customers.

Customer Complaint Management

We have established an open and transparent complaint reporting mechanism to enhance our response capability to customer complaints. We continue to implement the *Operation Manual for Customer Complaint Handling Procedures and Management Measures*, assisting customers in efficiently resolving issues based on standardized complaint handling processes.



Complaint Resolution Process

During the reporting period, the Company received a total of 65 complaints about products and services, a year-on-year decrease of 62%, and the complaint handling rate was 100%.

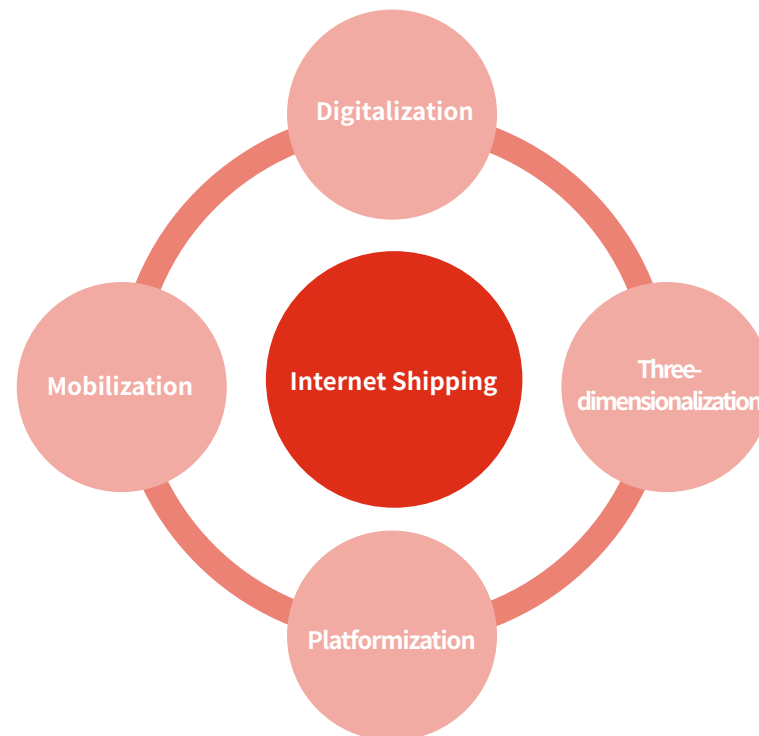


Digital Shipping Transformation

Digitalization is a new engine for the shipping industry to move towards high-quality development and is the key to enhance the efficiency of resource allocation, grasp the pulse of the times, and seize the strategic opportunities in the unprecedented changes of the century, as well as one of the vital means to promote the innovation and development of the shipping business and stimulate the new kinetic energy. Zhongguo Logistics adheres to the corporate goal of “first-class enterprise, first-class talents, first-class performance and first-class return” , and is committed to promoting the digital transformation of the shipping industry, serving the national strategy of a strong maritime nation and promoting the development of the Maritime Silk Road.

Digital Strategic Goals

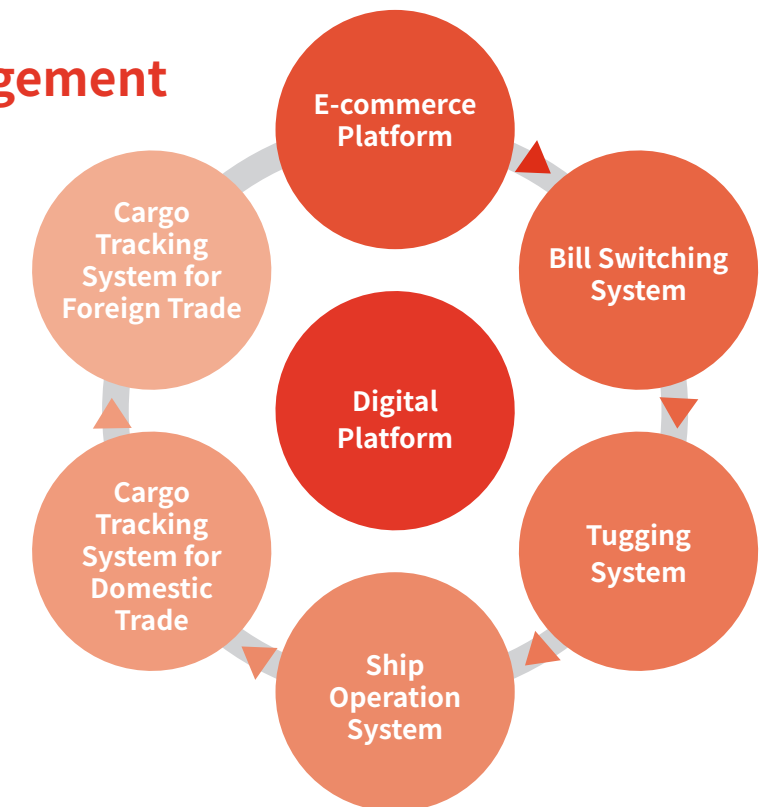
To further improve the resource allocation efficiency of the Company and achieve the goals of transparency, efficiency, green and safety of business operations, the Company has clearly put forward the development strategy of the logistics system: digitalization, three-dimensionalization, Platformization and mobilization. We are firmly orientated towards scientific and technological innovation, continuously increasing R&D investment and accelerating the transformation and application of achievements. Adhering to the goal, we optimize the digital platform management system, actively promote the practice of technological innovation, and provide customers with a solid and reliable guarantee with excellent safety management capabilities.



Zhongguo Logistics has fully integrated the group business and financial data flows, establishing a unified perspective on financial management that provides solid data support for decision-making analysis, forming effective management control measures. We focused on deepening the application of big data, enhancing our data output and service capabilities for other business segments through the implementation of multiple data application scenarios. In terms of business system construction, we have emphasized improving the scalability and flexibility of the systems, successfully building a comprehensive order processing center that integrates sea freight, road transport, rail transport, and barge transport. In addition, we deeply analyzed customer needs and achieved deep integration with customer systems, enabling direct data exchange and significantly enhancing the customer experience. At the same time, we attach great importance to data collection and governance, integrating data resources from various systems and modeling data based on business scenarios to provide comprehensive and accurate data service support for business development.

Digital Platform Management

Zhongguo Logistics aims to enhance business collaboration and service capabilities by operating its business in a digital environment, driving its own digital transformation efforts based on actual demands, and committing to building a smart and efficient digital shipping system. We have established a digital platform management system and developed and deployed six core systems: the Zhongguo E-commerce Platform, Bill Switching System, Tugging System, Ship Operation System, Cargo Tracking System for Domestic Trade, Cargo Tracking System for Foreign Trade, providing customers with comprehensive information services throughout the logistics process.



Digital Technology Innovation

As one of the first Chinese enterprises that have introduced the Internet into shipping, Zhongguo Logistics insists on the research, development and application of technology while making full use of technological advantages. Relying on existing technologies, we have enhanced research and development of electronic data software, RPA technology, AI and other intelligent innovation technologies to enhance our business management capability.



Digital Twin System for Qinzhou Yard

Zhonggu Logistics has successfully applied a digital twin system at Qinzhou Multimodal Container Logistics Base, marking a deep integration of information technology and logistics management. Our digital twin system utilizes high-fidelity virtual modeling technology to accurately replicate the physical environment of the logistics base, including but not limited to the physical layout, architectural structures, and equipment status, while continuously collecting and updating real-time data to ensure consistency between the virtual model and the actual base. Furthermore, the system deeply integrates actual production data from the base, such as yard cargo throughput, transportation times, and equipment utilization rates. Through information collaboration means, it achieves information connectivity between the terminal and the yard, ensuring that the entry and exit of containers are traceable and that container pickups as well as returns are well-documented. These initiatives and the data they generate not only drive real-time changes in the virtual model but also powerfully support in-depth analysis and decision-making optimization for base operations. Enabling real-time monitoring of the actual operational situation of the base through the system, providing a comprehensive view of production activities and significantly enhancing the intelligence level and operational efficiency of the base.



Personalized System Development

We actively share outstanding digital experiences within the industry and meet the digital needs of our clients and third-party enterprises. During the reporting period, we assisted COFCO Sugar in establishing a comprehensive information management system, achieving system integration, and facilitating collaborative business development.

COFCO Sugar Integrated System

During the reporting period, Zhonggu Logistics conducted in-depth system integration with COFCO Sugar. Through automatic interface retrieval of consignment information, we ensured the accuracy and timeliness of the information while synchronizing logistics transportation dynamics, enhancing the transparency and efficiency of logistics management. We focused on increasing the automation of key business process nodes, simplifying data entry and processing, and reducing the risk of human error. One employee can now complete the workload previously handled by three, freeing up productivity and providing a smooth and efficient business experience. This project significantly improved Zhonggu Logistics' capability and competitiveness. As the first service provider to interface with COFCO Sugar, this system facilitated in-depth business cooperation between the two parties. As of the end of the reporting period, the system is widely used to serve COFCO Sugar in the Northeast, Southeast, North China, and other regions, enhancing operational efficiency and customer satisfaction.

Data Security Management

Zhonggu Logistics strictly complying with the relevant laws and regulations of business locations and established the *Information Security Management System of Shanghai Zhonggu Logistics Co., Ltd.* to ensure data security. We ensured data security through security information disclosure and deepened cooperation with third-party service providers, through regular case analysis, business asset sorting and vulnerability scanning, ensuring the security and controllability of online external services.

Website and application security assessment

- Leverage the application development lifecycle, comprehensively identify cybersecurity issues to ensure software security at all times.

Website and application security reinforcement

- Improve the rationality of application code deployment to continuously enhance security.

Filtering of external threats

- Deploy web firewalls, IPS, and other devices to monitor, filter, and log malicious external access attempts.

Status monitoring

- Implement monitoring of the status of protected application pages and synchronously monitor website access log directories to determine if any attacks have occurred.

Emergency response

- For security incidents with a higher likelihood of occurring, promptly prepare contingency plans and conduct drills, striving to report, handle, and summarize the incidents in the most efficient and reasonable manner possible after they occur.

Data security management

- Strictly enforce backup mechanisms for applications, databases, and documents, and ensure that backup data is stored independently of production and office environments.

Data Security Management Measures

Upgrade and Optimization of the Security Management System

Against the backdrop of accelerating digital transformation, Zhonggu Logistics has implemented a series of systematic optimization projects to break through operational efficiency bottlenecks. To address efficiency issues caused by cumbersome operations in the business system, we have reconstructed the quick menu function based on user behavior data analysis, utilizing intelligent algorithms to prioritize the display of frequently used modules. In addition, we have synchronously upgraded the asset management system, leveraging the function of automatically collecting device information upon terminal login to transform the traditional manual computer inventory model into real-time digital management, thereby steadily improving the accuracy of asset inventory.

Privacy Protection Measures

Zhonggu Logistics strictly adheres to relevant laws and regulations on privacy protection and has established information security management and customer privacy management systems. We follow the principle of collecting the minimum amount of information necessary and are committed to implementing full-process management of customer privacy protection starting from the source of information. We regularly conduct information security drills and strictly carry out measures such as screening for weak passwords in the system and inspecting information storage environments. We are dedicated to improving the privacy information management system and enhancing the ability of our employees to protect all types of information. During the reporting period, we conducted a phishing email information security protection drill for 296 employees, during which 6 employees submitted personal information. After the drill, we issued a summary report on the drill situation and provided relevant safety training and educational resources, aiming to enhance employees' safety awareness and response capabilities, ensuring that the Company can respond quickly and effectively to cybersecurity challenges.

Strengthening Supply Chain Management

A stable and high-quality partnership is a crucial guarantee for the sustained development of Zhonggu Logistics. We adhere to relevant laws and regulations, establish an internal supplier management system, and rigorously conduct supply chain management work, integrating compliance and sustainability requirements into the entire process of tender initiation, supplier onboarding cooperation, and evaluation.

Supplier Onboarding

During the reporting period, we introduced a "pre-approval principle" for newly onboarded suppliers in our supplier introduction process. Pre-approved suppliers are required to fill out the *New Supplier Approval Form for the Procurement Department*, covering dimensions such as supplier price advantages, product technical parameters, and supply capabilities. Only after passing the approval process can they become suppliers of Zhonggu Logistics. When new suppliers have been cooperating for a full year and achieves a 3A or above rating in the Company's internal supplier evaluation, they can apply to join the *Qualified Supplier List*. Based on this process, we onboarded one new spare parts supplier during the reporting period.

Furthermore, during the reporting period, we introduced a trailer supplier system in the bidding process for our nationwide fleet of suppliers, digitizing the bidding process and integrating integrity agreements and safety operation standard documents. All participating fleet suppliers in the bidding process are required to study and comply with these documents, and we conduct promotional training for bidding fleet suppliers during the bid negotiation phase.

Supplier Evaluation

During the reporting period, we further improved the marine material procurement management system - the supplier evaluation system, detailing the standards and scoring rules for annual supplier evaluations, effectively guiding the annual supplier rating. Based on the specific needs of business activities, we adjusted the weightings of price, service terms, and other dimensions in the supplier service evaluation, emphasizing the assessment of supplier technical service support feedback efficiency. This further meets the specific needs of various business lines for suppliers and evaluates suppliers through a combination of qualitative and quantitative methods.

We prioritize cooperation with suppliers that have obtained system certifications. During the reporting period, several of our suppliers have obtained system certifications including ISO 14001, ISO 45001, and ISO 9001.

For suppliers lagging in the evaluation, we have further clarified specific supplier exit rules. All suppliers should prepare for subsequent work in accordance with the handling opinions issued after discussion by the evaluation committee. For suppliers with an annual evaluation score below 60 points, the evaluation committee could terminate their cooperation if they fail to make sufficient improvements within a fixed period.

Annual Supplier Evaluation

To enhance the Company's supply chain management level, recognize outstanding suppliers and service providers, and motivate suppliers to continuously improve service quality, we organized an annual supplier evaluation during the reporting period. The evaluation covered four categories: spare parts, materials, lubricants, and fuel, encompassing over a hundred suppliers. The evaluation criteria included product quality, supply capability, price reasonability, after-sales service, and other dimensions. Through a rigorous evaluation process, we ultimately selected the top ten gold medal suppliers. We held an award ceremony for these ten suppliers to recognize their service quality and outstanding contributions to ensuring the safe and green operation of our ships.



Green Fleet

During the critical period of the shipping industry's transition towards green and low-carbon operations, Zhonggu Logistics has actively responded to the national "dual carbon" goals by vigorously promoting the construction and application of a new energy fleet. During the reporting period, through the Company's introduction of new fleets and guidance and promotion among existing fleets, a total of 88 new energy vehicles from 14 fleets were put into operation, transporting 3,592 TEUs (twenty-foot equivalent units). This achievement not only reflects the Company's active exploration in the field of new energy but also demonstrates its firm determination to promote sustainable development within the industry. Based on the strong start in 2024 and actual operational experience, the Company plans to further expand new energy vehicle transportation in 2025 to achieve broader environmental and economic benefits.

Supplier Communication

Zhonggu Logistics actively engages in two-way communication with its suppliers, committed to providing timely industry information and policy dissemination, and continuously conducting regular review plans to assess suppliers' operational performance during the period. We closely monitor the dynamic release of government information and promptly synchronize content related to our fleet supplier business with relevant suppliers. We also organize necessary promotion and training meetings to facilitate essential communication and exchanges with the responsible personnel, scheduling managers, and drivers of our fleet suppliers. We continuously improve the efficiency of bilateral communication, actively listen to suppliers' opinions, understand their difficulties, and provide targeted training, striving to create an efficient supplier communication system.

During the reporting period, we conducted a total of 12 supplier training sessions, with a total training duration of 24 hours, covering nearly 1,200 suppliers of Zhonggu Logistics.

Creating a Harmonious Community

Zhonggu Logistics continues to refine its talent acquisition and human capital management frameworks, implementing strategic initiatives that systematically empower professional growth through strengthened competency development programs, performance-driven incentive structures, and streamlined career progression pathways. We are committed to fostering an equitable, respectful, and inclusive workplace culture that values diversity, while enabling continuous employee advancement through organization-wide training systems and cross-functional collaboration mechanisms. These integrated approaches facilitate synergistic alignment between organizational objectives and individual career aspirations, ultimately achieving sustainable co-development and collective value creation.



Diversity and Equity

Zhonggu Logistics strictly adheres to employment-related legal regulations in all operational jurisdictions, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Minors*, the Company upholds fair, equitable, and non-discriminatory employment practices, maintaining strict compliance with legal requirements. We expressly prohibit child labor and forced labor in all operations. During the reporting period, no incidents of non-compliance with child labor or forced labor regulations were recorded.

To enhance the scientific precision and operational effectiveness of our recruitment processes while standardizing employee conduct, we comprehensively revised the *Recruitment Policy and the Employee Handbook* during the reporting period. These updates aim to cultivate a positive, collaborative work environment and reinforce the Company's reputable corporate image.

To attract and select outstanding talents, Zhonggu Logistics has established a diversified recruitment channel, covering on-site submission, online application portal, email submission, and application via WeChat official account. Meanwhile, we adhere to the principles of diversity and fairness in recruitment, continuously innovate recruitment strategies, and enhance the professionalism and effectiveness of our recruitment efforts through a variety of initiatives, including off-campus experimental teaching bases, campus job fairs, and industry-university cooperation.

Zhonggu Logistics has partnered with Guangxi University to jointly establish the "Guangxi University-Zhonggu Logistics Internship and Practice Base"

In 2024, to deepen the integration of industry, academia, and research, and to fully leverage the strengths of both universities and enterprises in teaching, research, production, and talent resources, Zhonggu Logistics and Guangxi University formally signed a university-enterprise cooperation agreement to build the "Guangxi University-Zhonggu Logistics Internship and Practice Base." Moving forward, the two parties will engage in in-depth cooperation in multiple areas, including talent cultivation, teaching practice, and talent employment. They aim to jointly promote the coordinated development of education and industry and deliver more outstanding professionals to the sector.



Zhonggu Logistics Partners with Shanghai Maritime University to Establish the "Industry-Education Integration Graduate Joint Training Base"



In 2024, Zhonggu Logistics entered into a deep strategic partnership with Shanghai Maritime University to jointly establish the "Industry-Education Integration Graduate Joint Training Base." Both parties will fully capitalize on their respective strengths in the industry and academic fields, and engage in comprehensive university-enterprise collaboration through a variety of cooperative models. This collaboration is aimed at

achieving resource sharing and complementary advantages, promoting mutual development, and striving for a "win-win situation in industry and academia." Ultimately, the goal is to cultivate more high-quality professional talents for the industry.

Campus Recruitment Fairs

Zhonggu Logistics places great emphasis on university-enterprise cooperation and actively collaborates with multiple higher education institutions to continuously enhance the professionalism and effectiveness of its recruitment efforts. During the reporting period, Zhonggu Logistics organized several recruitment fairs and presentations, including the 2024 Campus Recruitment Fair at Chang'an University, the 2024 Campus Recruitment Presentation at Shaanxi University of Science and Technology, the 2024 Campus Recruitment Fair at Xi'an Shiyou University, and the "Enterprises on Campus - Zhonggu Logistics Campus Recruitment Thematic Session" at Dalian Maritime University. These activities not only provided university graduates with the opportunity to gain an in-depth understanding of Zhonggu Logistics but also attracted a large number of outstanding talents to the Company.



2024 Campus Recruitment Fair at Chang'an University



2024 Campus Recruitment Presentation at Shaanxi University of Science and Technology

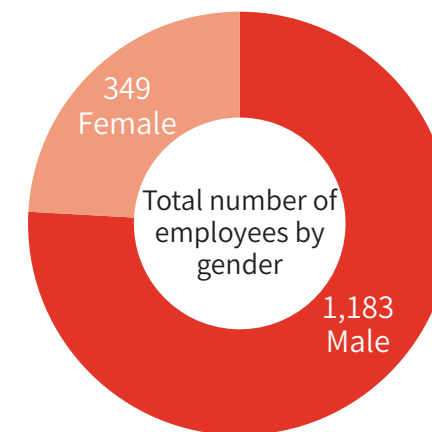


2024 Campus Recruitment Fair at Xi'an Shiyou University



Campus Recruitment Thematic Session at Dalian Maritime University

As of the end of the reporting period, Zhonggu Logistics had a total workforce of 1,539 employees, of whom 1,532 were full-time employees. The specific structure of our workforce is as follows:



Top-level management

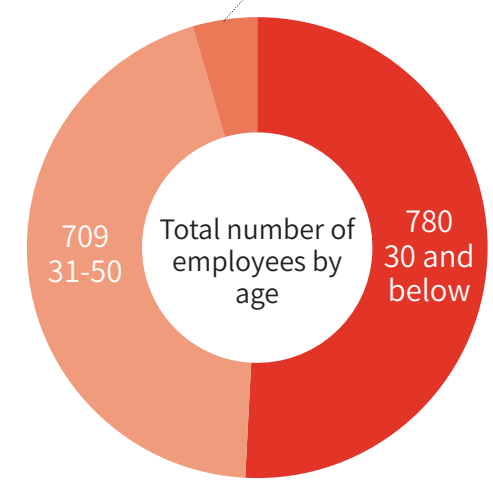
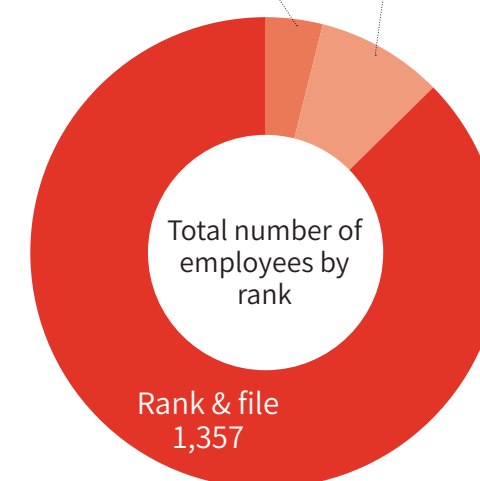
55

Mid-level management

120

43

50 and above



Zhonggu Logistics places high importance on the rights and benefits of its employees, and is committed to creating a high-quality working environment and development opportunities to effectively reduce employee turnover. During the reporting period, the overall employee turnover rate of the Company was 12%. We always respect the personal choices of our employees. For those who submit resignation applications, we will handle their resignation procedures in accordance with laws and regulations, ensuring the entire process is fair and transparent.

Indicator		2024	2023	Changes
Total employee turnover rate		12%	16%	-4% ↓
Employee turnover rate by gender	Male	11%	14%	-3% ↓
	Female	14%	19%	-5% ↓
Employee turnover rate by age	30 and below	18%	17%	1% ↑
	31-50	5%	13%	-8% ↓
	Above 50	13%	19%	-6% ↓

Talent Development

Zhongguo Logistics has always adhered to the people-oriented philosophy, continuously optimizing the onboarding training system for new employees and the development training system for current employees. The Company places great emphasis on employee training and development, committed to fostering employee growth and laying a solid foundation of talent for the sustainable development of the enterprise.



Talent Management and Cultivation System

During the reporting period, Zhongguo Logistics revised and improved the Training Management Measures, further standardizing the training work for new employees during their probationary period across various units. By unifying management standards and optimizing the onboarding training system, the Company has provided more systematic and targeted training content for new graduates during their probationary period. This helps them quickly integrate into the Company's culture, become familiar with their job responsibilities, and smoothly transition into their roles. Zhongguo Logistics has also established a comprehensive assessment plan for training work, and assessments and comparisons are conducted based on this plan. The assessment plan covers three core indicators: internal training within the Company, onboarding training, and external training. Through a scientific and rational evaluation system, the Company encourages all units to place high importance on employee training, thereby effectively improving the quality and effectiveness of training.

Zhongguo Logistics has always placed employee capability development at a strategic level. By constructing a tiered and categorized training system, we systematically enhance employees' professional competence, management skills, and team collaboration efficiency, thereby injecting talent momentum into the Company's high-quality development. We design differentiated development paths for employees at different levels and create a full-cycle development mechanism that covers all staff members: New employees quickly integrate into the corporate culture and business processes through immersive onboarding training, while current employees rely on progressive capability enhancement programs to achieve continuous growth. We have also innovatively adopted a blended learning model that combines online and offline modes, allowing employees to choose their learning paths according to their needs and significantly improving the effectiveness of training.

To support the implementation of the Company's strategy and the development of a talent pipeline, we have built a strategy-oriented training system that focuses on converting training outcomes into organizational efficiency. During the reporting period, we have efficiently advanced and completed several key initiatives, including the tiered and categorized development plans, external training programs for managers, executive elite seminars, the establishment of a standardized new employee training system, and the development of supporting teaching materials. This has enabled precise alignment between talent development and business growth.



External Training Programs for Leaders

- Organized various forms, types, and frequent external training programs, including management iron army special training and "Profit Center • Growth System" special training.



Senior Management Elite Classroom Training

- Conducted a series of 13 senior management classroom training sessions, focusing on key areas such as strategic decision-making, leadership enhancement, and innovative thinking cultivation, to create elite classrooms, help management personnel at all levels improve their management skills, consolidate team wisdom, and promote the implementation of strategies.



New Employee Training

- Planned and organized the 2024 new employee training for the Group, tracking the learning progress and work performance of new employees throughout the process to ensure they quickly adapt to job requirements and inject fresh vitality into the Company's business development.



Establishment of New Employee Training Materials

- Completed the compilation and printing of the Company's 2024 new employee training materials, standardizing the content and standards of training to ensure the systematicness and coherence of new employee learning.

"Profit Center • Growth System" Special External Training

During the reporting period, approximately 30 senior management representatives from the headquarters and regional divisions participated in a three-day "Profit Center • Growth System" special external training in two separate groups. The core concept of this training was to optimize the organizational structure and innovate business models to transform the Company into a platform where each department becomes an independent profit center. This approach aims to fully decentralize objectives, interests, responsibilities, and operations, thereby stimulating the operational vitality of the organization. It encourages employees to deeply engage in business operations and take on profit responsibilities, promoting a culture where all staff become business operators.



Senior Management Elite Classroom

To systematically consolidate the management wisdom and practical experience of the senior executive team, Zhonggu Logistics has focused on developing the “Elite Classroom” series of training programs this year. The aim is to build an internal knowledge-sharing platform and promote innovation and optimization of the internal training system. The program features senior managers from various centers and regions as lecturers, who conduct in-depth sharing sessions around core management topics such as strategic decision-making and leadership enhancement. During the reporting period, a total of 13 sessions were held, covering practical themes like “How to Improve Logical Thinking Skills” and “Communication and Negotiation Techniques,” with over 4,000 participants in total.



Through the continuous operation of the Elite Classroom, the Company has successfully achieved systematic accumulation and inheritance of management experience, significantly enhancing the strategic thinking abilities, leadership levels, and innovative awareness of management personnel, thus injecting sustained momentum into organizational capability building.

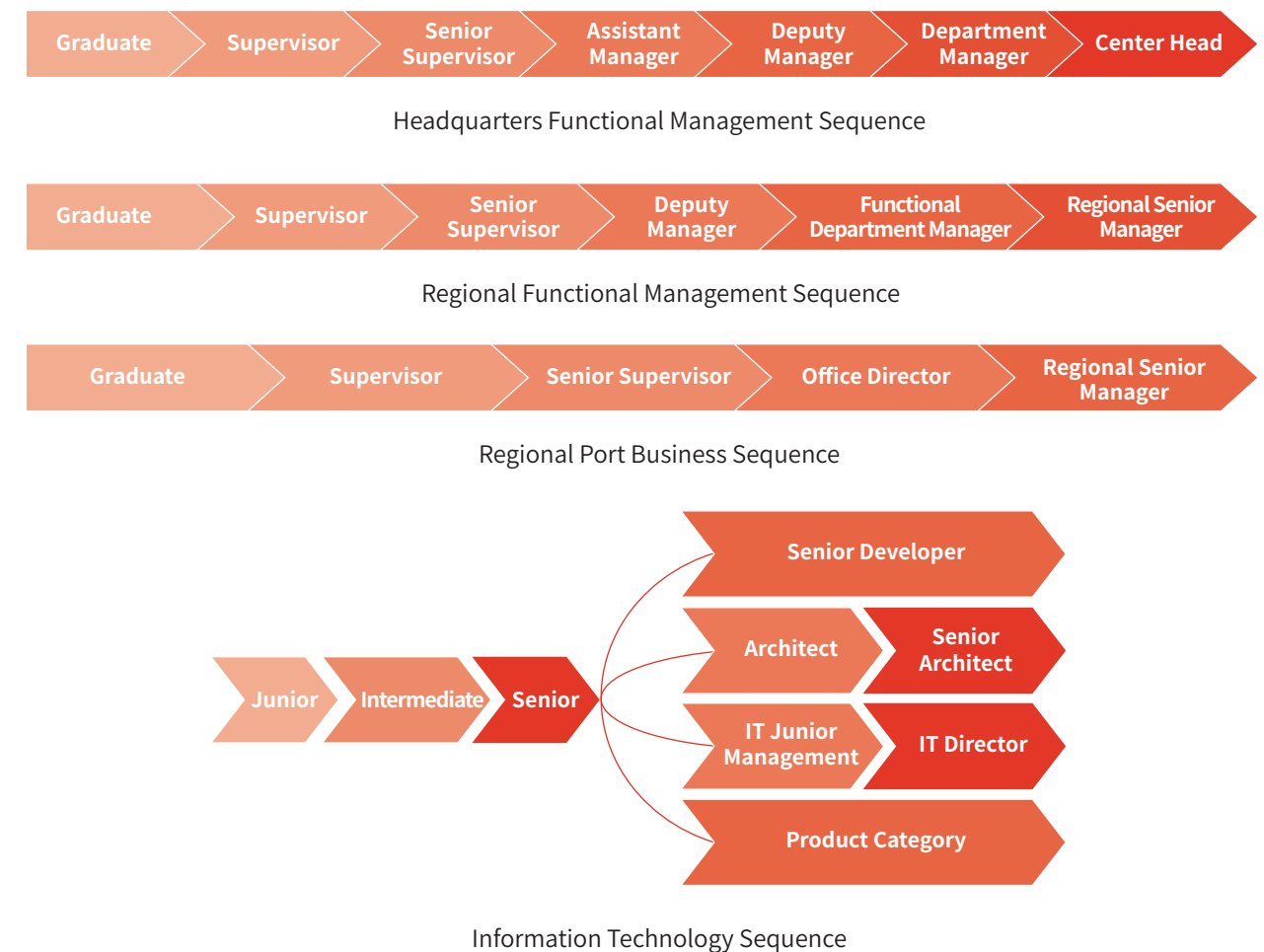
New Employee Training Materials

In 2024, we successfully compiled a unified training material suitable for all newly hired employees, systematically and modularly organizing the basic knowledge and processes for each position with the aim of standardizing training criteria. This set of materials consists of 7 volumes, covering the theoretical knowledge and operational procedures for 6 major types of positions: route operations, finance and business, marketing, multimodal transport mode, route management, and container management. It also includes content on organizational and cultural development, helping new employees quickly become familiar with their roles and improving the efficiency of onboarding.



Indicator		Unit	2024	2023	Changes
Total training input		RMB10,000	295	290	2% ↑
Total number of trainees		Person times	234	/	/ ↑
Average number of hours of training per employee		Hour	51.15	44.28	15.51% ↑
Average training hours completed per employee by gender	Male	Hour	50.85	44.50	14.28% ↑
	Female	Hour	52.15	43.62	19.55% ↑
Average training hours completed per employee by rank	Top-level management	Hour	56.09	48.00	16.86% ↑
	Mid-level management	Hour	49.04	46.00	6.61% ↑
	Rank & file	Hour	51.13	43.96	16.32% ↑

Zhonggu Logistics has thoroughly considered the growth patterns and development needs of its employees, and has designed an internal position hierarchy system and career development paths that align with the Company's strategic development requirements. We actively advocate for employees to achieve vertical promotion within their respective sequences and encourage horizontal mobility across sequences. This approach broadens the career growth paths for employees and also lays a solid foundation of talent for the Company's rapid expansion.



Caring for Employees

Zhonggu Logistics has consistently placed employee care at the core of its corporate culture development, establishing a comprehensive employee care ecosystem that continuously strengthens organizational cohesion. Our commitment manifests through multiple dimensions: optimizing employee benefits and compensation systems, developing transparent communication channels, enhancing occupational safety and security frameworks, and organizing diverse cultural and sports initiatives. These concerted efforts systematically nurture employees' sense of belonging, workplace fulfillment, and overall satisfaction, ultimately cultivating a human-centric corporate environment that values warmth and professional excellence.

Improving Compensation Mechanism

Zhonggu Logistics consistently regards the construction of a compensation system as a core component of its talent strategy. By continuously optimizing the compensation and benefits system, we ensure that employees receive fair treatment that is competitive in the market. Based on industry benchmarking and market research, we have established a compensation incentive mechanism oriented towards capability and performance contributions, effectively stimulating employee potential and innovative vitality. This has helped the organization attract and retain a large number of outstanding talents. Specifically, we have taken the following systematic measures:

Performance Assessment and Compensation Linkage

- Zhonggu Logistics has established a linkage mechanism between performance assessment and compensation incentives, deeply advancing the construction of a market-oriented compensation system. This fully stimulates employees' initiative and innovative potential, achieving mutual empowerment of individual value and organizational development.

Multidimensional Performance Assessment System

- Zhonggu Logistics implements a multidimensional performance assessment system for employees of different categories and positions. The compensation level of employees not only reflects the value of their positions but is also closely linked to the achievement of individual performance and business objectives, ensuring the fairness and incentive nature of the compensation system.

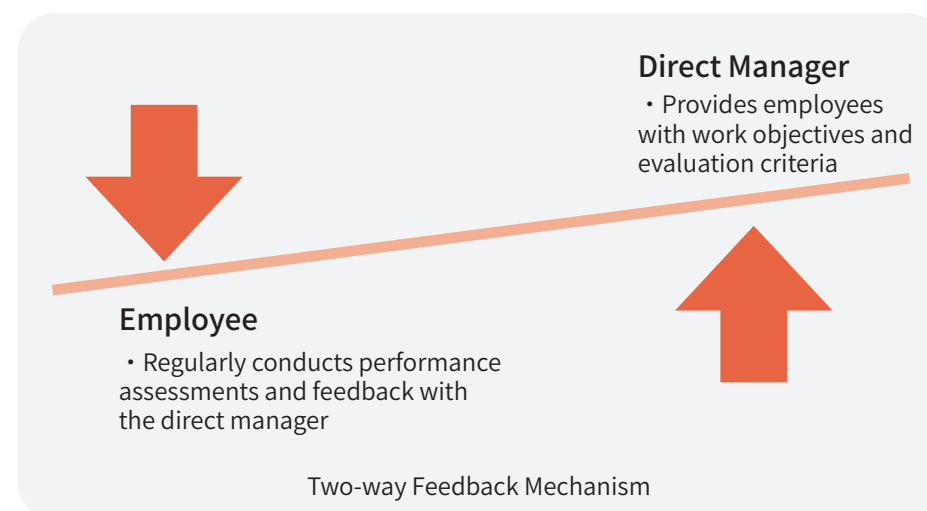
Long-term Incentive Plan

- The Zhonggu Shipping Group regularly provides feedback and rewards for employees' contributions through long-term incentive plans.

Emphasize Communication with Employees

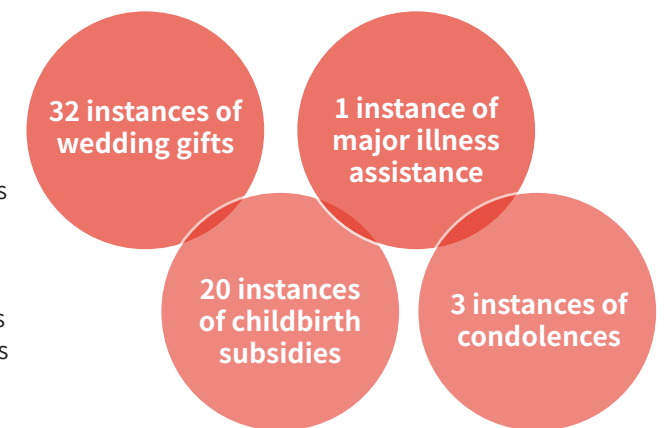
During the reporting period, Zhonggu Logistics established a two-way feedback mechanism to facilitate smooth communication channels for employees. The Company introduced a performance feedback system that clearly defines work objectives and evaluation criteria. Employees can regularly engage in performance assessments and feedback with their immediate supervisors to understand their performance and receive guidance for improvement. This enhances communication between management and staff, and promotes work efficiency and personal development.

In addition, Zhonggu Logistics regularly conducts employee satisfaction surveys that cover various dimensions such as compensation, performance, training, and career development. The survey results indicate that the Company's management level continues to improve, and employee happiness is on the rise.



Mutual Assistance Between Employees

Zhonggu Logistics is always ready to help employees to resolve their difficulties in production and life. Through the Zhonggu Care Fund, the Company provides comprehensive support for employees and their families, especially in times of emergencies and significant difficulties, offering timely assistance. During the reporting period, the fund expended a total of 59,000 RMB, benefiting 56 employees. This included 32 instances of wedding gifts, 20 instances of childbirth subsidies, 1 instance of major illness assistance, and 3 instances of condolences for the passing of a family member. This initiative not only reflects the Company's deep care for its employees' lives but also demonstrates the Company's sense of social responsibility. By combining material support with emotional comfort, we have effectively enhanced employees' sense of belonging and cohesion, fostering a warm and harmonious corporate culture.



Donation Through the Zhonggu Care Fund in 2024

Enriching Recreational and Sports Activities

Zhonggu Logistics consistently places employee welfare at the core of its operations, continuously enhancing team cohesion and employee happiness through a variety of cultural and sports activities, fostering a vibrant corporate culture atmosphere.

During the reporting period, Zhonggu Logistics carried out a diverse range of cultural and sports activities centered on employee care and team building, fully reflecting the Company's emphasis on employee welfare. We organized activities such as the Hui-Hang hiking team building, a health weight loss competition, and badminton matches, which not only strengthened team cohesion but also promoted a healthy lifestyle. Additionally, in conjunction with significant holidays, the Company held events like the International Women's Day recognition ceremony, Mid-Autumn Garden Party, and Thanksgiving themed activities. Through the exchange of flowers, gifts, and service awards, the Company conveyed its care and recognition for its employees. Furthermore, activities such as a friendly basketball match with CICC Wealth further promoted communication and cooperation among employees. These activities not only enriched employees' leisure lives but also created a positive corporate culture atmosphere, enhancing employees' sense of belonging and happiness.

Hui-Hang Hiking Team Building Activity

During the reporting period, we organized and conducted a hiking team building activity on the Hui-Hang Ancient Path. The purpose of this event was to enhance team cohesion and the spirit of cooperation through outdoor hiking, while also allowing employees to get close to nature and experience the charm of outdoor sports. More than 150 employees actively participated, and the activity achieved good team building results, providing employees with an unforgettable collective experience.



"Zhongguo Logistics Women of Distinction & March 8th Red Flag Bearers" Recognition Ceremony

On the occasion of International Women's Day, to honor the outstanding contributions made by female employees in the Company's development, we held the "Zhongguo Logistics Women of Distinction & March 8th Red Flag Bearers" recognition ceremony on March 8th in the training room on the 18th floor. The Company prepared flowers for each female employee at the headquarters to express our festive greetings and sincere respect.



First Health Weight Loss Competition



Badminton Match



Garden Party Themed Event



Zhongguo Logistics and CICC Wealth Joint Basketball Friendship Match



Thanksgiving Themed Event



Zhongguo Book Club



Health and Safety

Zhongguo Logistics consistently prioritizes the health and safety of its employees, strictly adhering to national laws and regulations such as the *Safety Production Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. The Company ensures comprehensive protection of employees' legal rights and interests. We have established a number of internal safety management systems, including the *General Principles*, which clarify safety management objectives and provide detailed safety standards for the operation of vessels, ensuring that all operational procedures meet the highest safety standards.

We have established a comprehensive safety management system and regularly conduct safety training and emergency drills to ensure that employees work in a safe and healthy environment, thereby laying a solid foundation for the sustainable development of the Company. During the reporting period, we have completed the annual review and certification of our occupational health management system.



Crew Joint Drills

During the reporting period, we carried out two planned ship-shore joint emergency drills as scheduled to enhance team coordination and emergency response capabilities. On May 31st, we conducted a drill for vessel loss of control and emergency towing operations to test ship-shore coordination and towing procedures. On November 22nd, we held a drill for shore power failure and man-overboard scenarios to evaluate emergency responses in complex situations. These two drills reinforced emergency awareness, optimized processes, and laid the groundwork for handling unexpected events, ensuring the safe and stable operation of our vessels.



Crew Training Program

During the reporting period, Zhonggu Logistics officially launched the first phase of its onboard crew training program, and by December, ten successful sessions had been conducted. The training content is comprehensive and practical, covering basic knowledge and skills related to firefighting and life-saving operations on ships, key areas of current domestic and international ship inspections, as well as the latest international conventions and regulations that have come into effect. In terms of training format, we have adopted flexible and diverse methods, including on-site training organized during ship visits, remote video training during ship anchorages, and routine training organized by the captain onboard, ensuring the efficiency and continuity of the training.



We are continuously improving the mechanisms of our occupational health and safety system. The following table presents the occupational health and safety performance during the reporting period:

Indicator	Unit	2024	2023	2022	Changes
Number of work-related deaths in the past three years	Person	0	0	0	-
Days of work lost due to occupational injuries	Day	147	0	12	↑
Days of work lost due to occupational injuries per million RMB	Days/ million RMB	0.0131	0	0.0008	↑
Work injury rate	%	0.13	0	0.07	↑
Number of work-related injuries	Person	2	0	1	↑
Number of work-related accidents	No.	1	0	1	↑
Number of Safety Drills	No.	2,942	/	/	/
Total Hours of Health and Safety Training	Hours	3,528	/	/	/
Coverage Rate of Health and Safety Training	%	100	/	/	/
Amount Invested in Work Injury Insurance	RMB	228,716	/	/	/
Coverage Rate of Work Injury Insurance Personnel	%	100	/	/	/
Amount Invested in Safety Production Liability Insurance	RMB	1,576,268	/	/	/
Coverage Rate of Safety Production Liability Insurance Personnel	%	41	/	/	/

Rural Revitalization and Welfare

Zhonggu Logistics is not only concerned with the development of the surrounding communities but also takes it as its responsibility to give back to society. The Company actively engages in the national strategy of rural revitalization and social welfare activities. Through various forms such as donations, public welfare activities, and consumption assistance, the Company contributes to the all-around development of rural areas. At the same time, we encourage our employees to participate in community public welfare activities to jointly create a harmonious and beautiful social environment and convey positive energy.

Rural Revitalization

Zhonggu Logistics actively responds to the national rural revitalization strategy, integrating the consolidation and expansion of poverty alleviation achievements deeply into the Company's development strategy. During the reporting period, we fulfilled our corporate social responsibility and promoted the sustainable development of the Company by actively participating in rural revitalization projects, achieving a complementary balance between social and commercial value. During the reporting period, our total expenditure on rural revitalization amounted to 362,048 RMB.

"Warming Hearts and Helping Villages" Activity

In the "Warming Hearts and Helping Villages" initiative organized by the YuShu City Transportation Bureau, Huo Xiaojie from the Northeast Regional Office of Zhonggu Logistics actively participated. Together with relevant departments, he went deep into Zhonghou Village, Tuqiao Town, to deliver rice, flour, oil, calendars, and other New Year's gifts to 12 households that had recently escaped poverty. This office responded positively to the local government's call, enthusiastically engaged in public welfare activities, and bridged the gap with the local community. Seizing this opportunity, they widely promoted the public welfare philosophy of Zhonggu Logistics, effectively enhancing the Company's social visibility.



Zhonggu Logistics Purchases Agricultural Products to Support Rural Revitalization

Against the backdrop of the rural revitalization strategy, Zhonggu Logistics actively responds to national policies by aiding rural economic development through the procurement of agricultural products. In the winter of 2024, the Company purchased approximately 9,000 kilograms of high-quality apples from Shandong and 1,200 servings of Gu Huai steamed buns. These products were not only used to express care and gratitude to employees, customers, and partners but also demonstrated the Company's support for rural revitalization. By doing so, Zhonggu Logistics has not only enhanced its social image but also contributed to the economic development of rural areas.



Public Welfare

Zhongguo Logistics consistently upholds a passionate commitment to giving back to society and actively fulfills its social responsibilities. The Company continues to increase its investment in community welfare and volunteer services, working hand in hand with communities to build a better future, fully demonstrating the noble sentiment of enterprises in contributing to society and promoting the development of public welfare endeavors. During the reporting period, a total of 774 employees participated in social welfare activities, contributing a combined total of 3,797 volunteer service hours, with community investment and public welfare activity expenditures amounting to 46,756 RMB.

Community "Clean Home" Public Welfare Volunteer Activity

Volunteers from the Southeast Region of Zhongguo Logistics joined hands with the Xin'gang Community to actively participate in the "Clean Home" public welfare volunteer activity. On the afternoon of the event, the volunteers, armed with trash bags and grabbers, worked in groups to meticulously search for and thoroughly clean hidden areas of dirt, giving the community a fresh new look.



"Visiting Qingdao West Coast Special Education Center" Public Welfare Activity

Under the banner of "Zhongguo Public Welfare," we extended warmth to the children of the Huangdao District Special Education School, conveying societal care through our actions and encouraging them to face life with an optimistic and positive attitude, embracing the beautiful world. At the same time, the Company actively participated in the "Hand in Hand to Care for Children with Disabilities, Heart to Heart to Protect the Flowers of Our Motherland" initiative, focusing on special groups and contributing Zhongguo Logistics' strength to the social welfare cause.



Nursing Home Public Welfare Activity

To promote the spirit of Lei Feng and leverage the exemplary and leading role of young party members, in order to better serve the elderly in the community, employees of Zhongguo Logistics will visit the nursing home to carry out the "Learn from Lei Feng, Make Dumplings, Deliver Warmth" volunteer service activity. Through practical actions, they will deliver care and affection to the elderly, conveying warmth and concern.



Public Welfare Book Charity Auction



Public Blood Donation



Headquarters Party Members' Book Charity Auction



"Protecting the Ocean, Together We Act" Themed Party Day



"Sanitation Workers' Day" Public Welfare Activity



"Protecting the Beautiful Earth, Zhongguo Logistics in Action" activity



Compliance in Operation

Zhongguo Logistics always pursuing “safe, efficient and green” development, and has established a governance structure with Zhongguo characteristics that aligns with the features of the logistics industry, supports the Company's strategic development, and adapts to its production and operation. We conduct strict internal management in accordance with laws, regulations, and listing requirements, continuously improve our internal control systems, and comprehensively build a risk management framework. We continuously enhance the standardization of our company's operations, effectively improve our corporate governance capabilities, and achieve dual improvements in operational quality and efficiency.

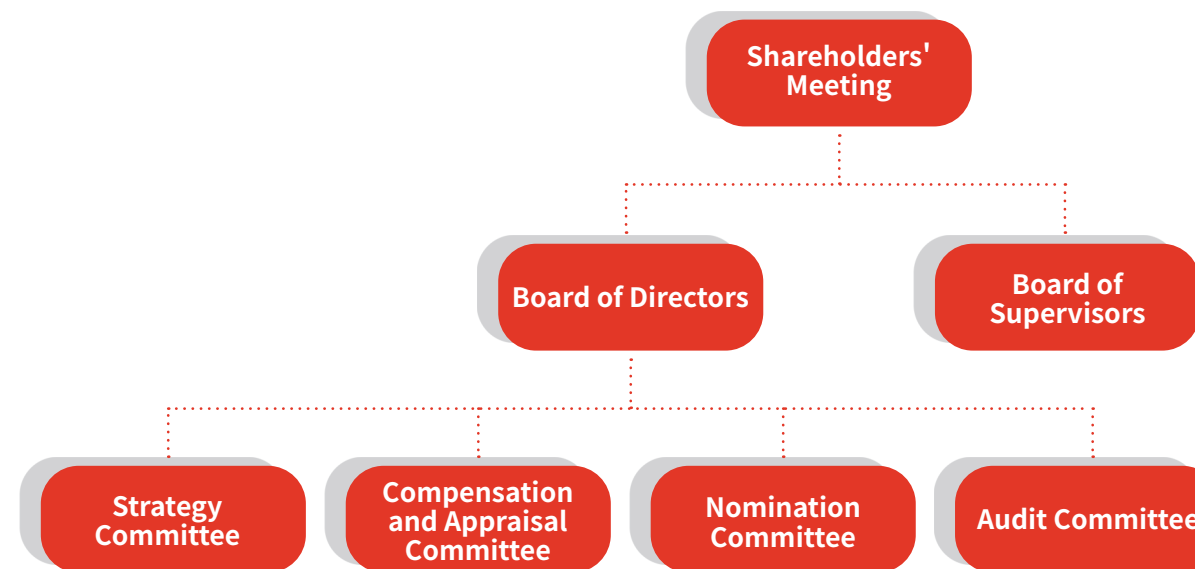


Corporate Governance

Zhongguo Logistics strictly adheres to the requirements of laws and regulations, including the *Company Law of the People's Republic of China*, the *Code of Corporate Governance of Listed Companies*, the *Guidelines for Introducing Independent Directors to the Board of Directors of Listed Companies*, the *Rules for the Shareholders' Meetings of Listed Companies* and the *Guidelines for Articles of Association of Listed Companies*, continuously improving corporate governance and enhancing the level of standardized operation.

Governance Structure

Zhongguo Logistics attaches great importance to the diversity and professionalism of board members. the board consists of nine members, including three independent non-executive directors, accounting for 33% of the total, and the proportion of female directors, supervisors, and senior executives is 27%. The board has established four specialized committees: the Strategy Committee, the Compensation and Appraisal Committee, the Nomination Committee, and the Audit Committee. In light with the Company's actual operational situation, we integrate the Company's actual operations, identify specific needs, emphasize maximizing the roles of the Board of Directors and its committees, ensure the fulfillment of functions and responsibilities by shareholders' meetings, the Board of Directors, the Board of Supervisors, and management, thereby safeguarding the shared interests of shareholders and the Company.



We have implemented multiple initiatives to strengthen internal governance. Aligned with strategic development needs, the Company is systematically advancing governance efficiency enhancement initiatives. We continuously refine the corporate governance structure by optimizing the setup of Board committees and decision-making authorization mechanisms, establishing a governance system with clear responsibilities and effective checks and balances. Concurrently, we have instituted a compliance management negative list and embedded compliance review processes. Furthermore, we have developed a three-tier risk control framework covering strategic, operational, and supervisory levels. Building upon this foundation, we designed cross-departmental joint decision-making mechanisms to create a closed-loop management model, which has significantly enhanced the responsiveness to major decisions and the precision of resource allocation.

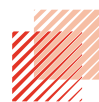
Compliance Operations

Zhonggu Logistics strictly adheres to national laws and regulations such as *The Company Law of the People's Republic of China*, industry standards, and internal group policies. Through a compliant and efficient internal governance framework, we support the Company's steady development. During the reporting period, we conducted dynamic monitoring and refined management of operational performance across key control metrics, including but not limited to vessel load factor, port idle time, direct berthing rate, cost control, and asset management.

Building on a robust compliance system, Zhonggu Logistics provides regular compliance training to key directors, supervisors, and senior management to ensure their understanding and adherence to relevant laws and policies. Additionally, when regulatory adjustments occur, the Company promptly organizes policy analysis and delivers targeted notifications and training to affected departments, ensuring alignment with the latest legal requirements.

During the reporting period, we actively arranged for directors, supervisors, and senior executives to participate in training sessions on independent director system reforms organized by the Listed Companies Association of Shanghai, aiming to elevate corporate governance standards. Our independent directors also attended specialized follow-up training at the Shanghai Stock Exchange to deepen their understanding of responsibilities and enhance execution capabilities. Furthermore, we distributed detailed guidelines and precautions on compliant trading of company shares to directors, supervisors, and senior executives via email, WeChat, and other channels. This proactive management strategy ensures all transactions comply with regulatory requirements, effectively mitigating potential violations.

Business Ethics



Based on the core values of "loyalty, sincerity, and practicality," Zhonggu Logistics actively reinforces the mechanism of "dare not corrupt, cannot corrupt, and do not want to corrupt," ensuring the Company's operations are honest and efficient. To strengthen the anti-corruption system, we have formulated and continuously implemented the "Anti-Corruption and Integrity Management Measures" and the "Accountability Management Measures for Dereliction of Duty and Violations."

We have established the Zhonggu Logistics Anti-Corruption and Integrity Construction Leading Group, with the Company's chairman serving as the group leader, board members as deputy group leaders, and heads of various departments, regions, as well as wholly owned subsidiaries as members. Besides, the Company has established an internal and external reporting mechanism, encouraging both personnel to actively report issues, thereby promoting the construction of a tighter and more efficient anti-corruption system.

Management Measures

We actively advance the development of a commercial ethics culture, implementing diverse initiatives to enhance ethical awareness across all employees. This commitment ensures the legitimacy and integrity of business practices, laying a solid ethical foundation for sustainable development. During the reporting period, the Company conducted a comprehensive review of employees and their relatives' holding positions in the Company or affiliated entities to identify and mitigate potential conflicts of interest. This initiative not only strengthened transparency but also provided data-driven insights for refining stricter compliance policies.

As the corporate governance structure continues to optimize and internal oversight systems mature, we rigorously enforce post-termination audit procedures for departing senior management. These audits include thorough reviews of their economic responsibilities during their tenure, serving as a deterrent to current executives and minimizing risks, thereby driving continuous improvement in management practices. In business audits, internal corruption remains a key focus area. We employ in-depth analysis of operational workflows, meticulous verification of financial records, and employee interviews to identify potential risks and non-compliant activities, safeguarding the healthy development of operations and the security of corporate assets.

During the reporting period, we launched a month-long Integrity Promotion Month campaign to deepen anti-corruption efforts. Through educational programs and awareness initiatives, the campaign aimed to strengthen employees' commitment to integrity and ensure compliance across operations. All employees signed a Compliance Pledge to affirm adherence to corporate policies and professional ethics. Additionally, new hires were required to sign a *Position-Specific Integrity Commitment* as a solemn vow to uphold ethical standards in their roles.

Business Ethics Training

To foster employees' awareness of integrity and self-discipline, we prioritize the development of an integrity corporate culture and have implemented practical and effective measures. The Company conducts specialized anti-corruption and integrity training for both new hires and mid-to-senior management, aiming to elevate ethical awareness across all staff and promote a culture of honesty and integrity. During training sessions, real-world case studies are integrated to illustrate the severe consequences of corruption and the profound significance of anti-corruption efforts, helping employees recognize the critical importance of ethical conduct for both the Company and themselves. Additionally, the Company has established a robust oversight system and incentive mechanisms to encourage voluntary adherence to integrity standards, collectively fostering a transparent and ethical workplace environment. During the reporting period, the Company further solidified employees' understanding of compliance through an anti-corruption and integrity knowledge assessment. The test covered topics such as business operations, internal controls, anti-corruption policies, and legal regulations. A total of 1,033 valid responses were collected, with an average score of 87.78 across the Company, demonstrating strong employee grasp of integrity-related knowledge.

During the reporting period, our business ethics training covered all employees, including the management. Specifically, the total training hours for senior management, mid-level management, and frontline employees reached 126 hours, 318 hours, and 2,733 hours, respectively.



Specialized Business Ethics Training for Senior Management

the Company invited a prosecutor from the Hongkou District People's Procuratorate in Shanghai to conduct a training session titled "Combating and Preventing Corruption in Private Enterprises" for the senior management team. The training explained in an accessible manner the corruption risks faced by private enterprises and corresponding governance strategies, significantly enhancing the leadership's awareness of integrity and risk prevention capabilities. Following the training, the Company organized all employees to study the content and produced an integrity-themed documentary. Through real-world case studies and in-depth analysis, the documentary conveyed the critical importance of ethical conduct, ensuring that integrity principles resonate deeply across the organization.



Public Screening of Integrity Awareness Documentary

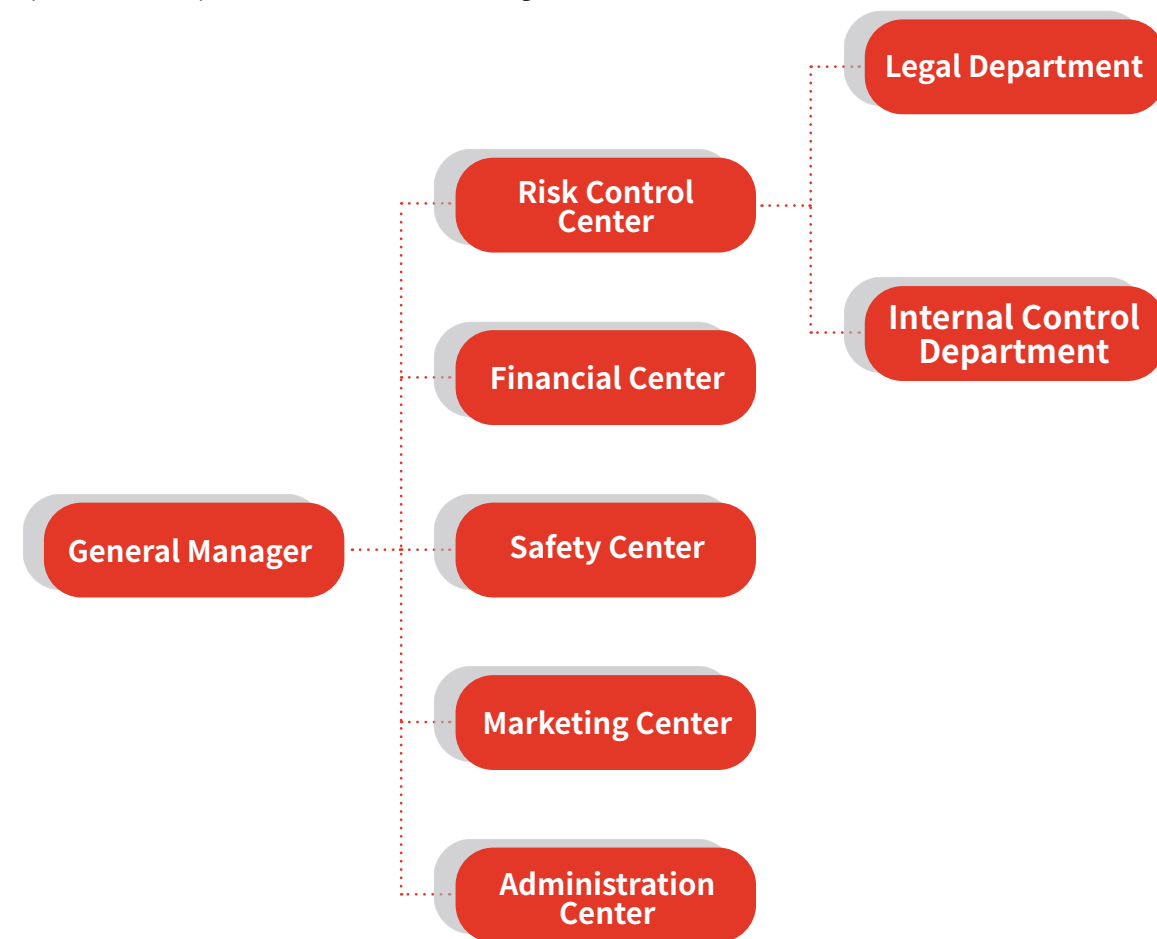
To further strengthen employees' commitment to integrity, Zhonggu Logistics produced an integrity awareness documentary. The film vividly showcased real cases and provided thorough analysis, clearly communicating the profound significance of ethical practices to all employees and embedding integrity into the corporate culture. The screening initiative notably elevated employees' ethical awareness and reinforced the Company's compliance culture, fostering a transparent and upright workplace environment. Moving forward, the Company will continue to prioritize integrity-building efforts by diversifying ethical education programs and refining relevant systems. This will solidify the foundation for sustainable development, ensuring steady and long-term growth on a path of compliance and integrity.

Risk Management

Zhongguo Logistics actively optimizes risk assessment and early warning mechanisms, strictly enforces risk control procedures, and advances the integration of risk governance systems across all operational processes. As of the end of the reporting period, the Company maintained 103 internal control policies, with 29 revised or enhanced in 2024.

Management Structure

The Company established a Risk Prevention and Control Task Force, led by the General Manager and composed of heads from the Risk Control Center and other departments, to institutionalize and systematize internal control operations. Regular internal control evaluations are conducted to inspect compliance across departments. During the reporting period, the Risk Control Center established an Internal Control Department, which operates with high independence to objectively and rigorously fulfill its duties, reflecting the Company's commitment to strengthening its internal control framework. The department's responsibilities extend beyond designing and refining control systems to overseeing and reviewing policy implementation, ensuring operational compliance and effective risk mitigation.



Risk Control Management Structure

Management Measures

The Internal Control Department has proactively implemented initiatives to elevate organization-wide awareness and execution capabilities, driving deeper integration of internal controls and safeguarding the Company's stable development.

During the reporting period, the Company systematically advanced the construction of an internal control defect remediation mechanism, creating a full-cycle management loop of "plan review – process supervision – outcome evaluation." A tiered supervision framework was implemented, requiring responsible units to develop targeted rectification plans for expert review, alongside digital progress tracking and regular reporting. The Internal Control Department dynamically consolidated remediation progress developed cross-level visual dashboards and conducted root-cause analyses for delayed tasks. By strengthening process oversight and outcome integration, the Company promoted systematic refinement of business workflows, optimized policy design and execution standards, and achieved deeper alignment between management systems and operational practices, continuously enhancing control efficacy and organizational efficiency.

Zhongguo Logistics has established a robust compliance management system, including a department-specific legal and regulatory database to underpin compliant operations. Building on this foundation, the Company deepened the enforcement of internal controls by integrating control evaluations into performance assessment system. This approach heightened employee focus on compliance, embedding control requirements into daily operations and significantly strengthening risk prevention capabilities.

Risk Management Training

Zhongguo Logistics treats risk awareness as a strategic pillar for sustainable growth, systematically building a risk management education system that spans all roles and operational cycles. Through tiered and categorized training programs, a comprehensive competency framework has been developed: mandatory courses for new employees reinforce professional ethics, targeted training for key positions strengthens integrity standards, and practical drills for business lines address industry-specific risks. Additionally, the Company collaborates with judicial authorities to deliver customized legal education, establishing a knowledge-to-action conversion mechanism to continuously enhance risk identification and compliance decision-making capabilities. These efforts lay a talent foundation for building a modern, industry-leading risk control system in the shipping sector.



Integrity and Self-Discipline Training for New Employees

During the reporting period, the Company organized a training event titled "New Employee Training - Fasten the First Button of Your Career, Practice Integrity and Self-Discipline" for our new hires in 2024. The training was organized by the Internal Audit Department and attended by nearly 100 new employees from the 2024 cohort. The training content covered four main aspects: the responsibilities and roles of the audit department, laws, regulations, and company policies, case studies, and reporting mechanisms. The objective of the training was to provide new employees with an in-depth understanding of the Company's rules and regulations regarding integrity, to help them grasp the Company's institutional requirements through the analysis of past cases, to clarify employee behavior norms, and ultimately to cultivate a sense of integrity and self-discipline among new employees.

Index

Index to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

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GRI Index

Instructions for use	From January 1 to December 31, 2024, Shanghai Zhongguo Logistics Co., Ltd. reported the information cited in this GRI index with reference to the GRI standard.
GRI 1	GRI 1: Basic 2021

Disclosure issue/item	Title of disclosure	Chapter
GRI 1: Basics 2021		
GRI 2: General Disclosures 2021		
Organization and Reporting Practices		
2-1	Organization details	Zhongguo Logistics at a Glance
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency, and contact point	About the Report
2-5	External guarantee	About the Report
Employees and Activities		
2-6	Activities, value chains and other business relationships	Double Materiality Assessment
2-7	Employees	Diversity and Equity, Talent Development, Caring for Employees
Governance		
2-9	Governance structure and composition	Corporate Governance
2-12	Supervisory role of the supreme governing body in management impact	ESG Governance System
2-13	Delegation of responsibility for managing impacts	ESG Governance System
2-14	Role of the highest governance body in sustainability reporting	ESG Governance System
2-15	Conflicts of interest	Double Materiality Assessment
2-16	Communication of critical concerns	Double Materiality Assessment
2-17	Collective knowledge of the highest governing body	ESG Governance System
Strategies, Policies and Practices		
2-22	Statement on sustainable development strategy	Message from the Chairman
Stakeholder Engagement		
2-29	Stakeholder engagement approach	Stakeholder communication
GRI 3: General Disclosure 2021		
3-1	Process for identifying substantive issues	Double Materiality Assessment
3-2	List of substantive issues	Double Materiality Assessment
3-3	Management of substantive issues	Double Materiality Assessment
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Key performance
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Business ethics
205-2	Communication and training about anti-corruption policies and procedures	Business ethics
205-3	Confirmed incidents of corruption and actions taken	Business ethics

Environment		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Tackling climate change
302-3	Energy intensity	Tackling climate change
302-4	Reduction of energy consumption	Low-carbon sailing
GRI 303: Water Resources and Wastewater 2018		
303-1	Interaction with water as a shared resource	Ecological Co-construction
303-2	Management of water discharge-related impacts	Ecological Co-construction
303-3	Water withdrawal	Ecological Co-construction
303-4	Water discharge	Ecological Co-construction
303-5	Water consumption	Ecological Co-construction
GRI 305: Emission 2016		
305-1	Direct (Scope 1) GHG emissions	Tackling climate change
305-2	Energy indirect (Scope 2) GHG emissions	Tackling climate change
305-4	GHG emissions intensity	Tackling climate change
305-5	Reduction of GHG emissions	Tackling climate change
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Ecological Co-construction
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Ecological Co-construction
306-2	Management of significant waste-related impacts	Ecological Co-construction
306-3	Waste generated	Ecological Co-construction
306-5	Waste directed to disposal	Ecological Co-construction
Society		
GRI 401: Recruitment and Employment 2016		
401-1	New hires and employee turnover	Diversity and Equality
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Care for our employees
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Care for our employees
403-2	Hazard identification, risk assessment and incident investigation	Care for our employees
403-3	Occupational health service	Care for our employees
403-5	Worker training on occupational health and safety	Care for our employees
403-6	Promotion of worker health	Care for our employees
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Care for our employees
403-8	Workers covered by an occupational health and safety management system	Care for our employees
403-9	Work-related injuries	Care for our employees
403-10	Work-related health issues	Care for our employees
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Talent development
404-2	Programs for upgrading employee skills and transition assistance programs	Talent development
GRI 405: Diversity and Equal Access 2016		
405-1	Diversity of governing bodies and employees	Diversity and Equality
GRI 406: Anti-Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Diversity and Equality
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Diversity and Equality
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity and Equality
GRI 414: Social Assessment of Suppliers 2016		
414-1	New suppliers that were screened using social criteria	Strengthening Supply Chain Management
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Digital Shipping Transformation

Performance Summary

Environment			
Issue	Indicator	Unit	2024
Energy consumption	Gasoline	kWh	1,436,680.23
	Diesel	kWh	242,131,725.18
	Low sulfur fuel oil	kWh	2,806,590,130.45
	Lubricating oil	kWh	25,757,866.83
	Total direct energy consumption	kWh	3,075,916,402.69
	Electricity	kWh	5,062,713.69
	Total indirect energy consumption	kWh	5,062,713.69
	Total energy consumption	kWh	3,080,979,116.38
	Total energy intensity	kWh/ million RMB	273,664.12
	Scope 1 GHG emissions	Ton of CO ₂ equivalent	807,147.24
GHG Emissions	Scope 2 GHG emissions	Ton of CO ₂ equivalent	2,716.65
	Total GHG emissions	Ton of CO ₂ equivalent	809,863.89
	GHG emissions intensity	Ton of CO ₂ equivalent/ million RMB	71.94
Water resources	Total water consumption	Ton	96,470.00
	Water consumption intensity	Ton/million RMB	8.57
	Freshwater consumption	Ton	56,532.00
	Total water recycling and reuse	Ton	455.00
	Water cycle and reuse rate	%	0.74
Wastewater	Total wastewater discharge	Ton	16,917.60
	Wastewater discharge intensity	Ton/million RMB	1.50
Waste gas	Nitrogen oxides	Ton	21,005.81
	Sulfur oxides	Ton	2,414.46
	Suspended particles and particulate matters	Ton	519.66
	Total waste gas emissions	Ton	23,939.93
	Waste gas emission intensity	Ton/million RMB	2.13
Waste	Total amount of hazardous waste	Ton	1,309.34
	Intensity of hazardous waste	Ton/million RMB	0.12
	Total amount of non-hazardous waste	Ton	418.00
	Intensity of non-hazardous waste	Ton/million RMB	0.04
Consumables	Amount of paper used	Ton	12.04
Investment in environmental protection	Total investment in environmental protection	Ten thousand RMB	698.25
	Proportion of total investment in environmental protection to operating income	%	0.06

Society			
Issue	Indicator	Unit	2024
Number of employees			
Total number of employees	Number of employees	Person	1,539
By type of employment	Permanent employees	Person	1,532
	Dispatched labor	Person	7
	Part-time employees	Person	1,183
By gender	Male	Person	349
	Female	Person	55
By rank	Top-level management	Person	120
	Mid-level management	Person	1,357
	Rank & file	Person	780

By age	30 and below	Person	709
	31-50	Person	43
	50 and above	Person	1,532
By region	Chinese mainland	Person	0
	Hong Kong, Macao and Taiwan	Person	0
Employee Turnover Rate			
Overall turnover rate	Turnover rate	%	12
By gender	Male	%	11
	Female	%	14
By age	30 and below	%	18
	31-50	%	5
	50 and above	%	13
By region	Chinese mainland	%	12
	Hong Kong, Macao and Taiwan	%	0
	Overseas	%	0
Occupational Health and Safety			
Work-related death	Number of work-related deaths	Person	0
Work-related injuries	Number of work-related deaths per million RMB	Person/million RMB	0
	Days of work lost due to occupational injuries	Day	147
	Days of work lost due to occupational injuries per million RMB	Day/million RMB	0.0131
	Work injury rate	%	0.13
	Number of work-related injuries	Person	2
	Number of work-related accidents	No.	1
Number of safety trainees	Number of safety drills	No.	2,942
	Total Hours of Health and Safety Training	Hour	3,528
	Coverage Rate of Health and Safety Training	%	100
Safety production investment	Investment Amount in Work-related Injury Insurance	RMB	228,716
	Coverage Rate of Work-related Injury Insurance Personnel	%	100
	Investment Amount in Work Safety Liability Insurance	RMB	1,576,268
	Coverage Rate of Work Safety Liability Insurance Personnel	%	41
Development and Training			
Total number of trainings	Total number of trainings	No.	234
Employee training investment	Total investment in employee training	Ten thousand RMB	295
	Employee training investment per million RMB	Ten thousand RMB	0.0262
	Average employee training and development investment	Ten thousand RMB/person	0.19
Employee Training Coverage	Total coverage	%	100
Number of trainees by gender	Male	Person	1,183
	Female	Person	349
Percentage of training by gender	Male	%	77
	Female	%	23
Number of trainees by rank	Top-level management	Person	55
	Mid-level management	Person	120
	Rank & file	Person	1,357
Percentage of training by rank	Top-level management	%	3
	Mid-level management	%	8
	Rank & file	%	89
Average number of hours of training per employee	Average number of hours of training per employee	Hour	51.15

Total training hours of employees	Male	Hour	60,160
	Female	Hour	18,200
	Top-level management	Hour	3,085
	Mid-level management	Hour	5,885
	Rank & file	Hour	69,390
Average number of hours of training by gender	Male	Hour	50.85
	Female	Hour	52.15
Average number of hours of training by rank	Top-level management	Hour	56.09
	Mid-level management	Hour	49.04
	Rank & file	Hour	51.13
Compensation and Revenue			
Compensation and revenue	Salary per capita	RMB	244,847.43
	Income per capita	RMB	7,498,004
Supply Chain			
Supplier	Total number of suppliers	No.	4,423
By region	China Mainland	No.	4,336
	Hong Kong, Macao and Taiwan	No.	36
	Overseas	No.	51
Products and Services			
Recall	Number of incidents recalled for safety and health reasons	No.	0
Complaint	Number of complaints received about products and services	No.	65
	Handling rate of complaints received about products and services	%	100
	Number of customer complaints per million Chinese Yuan	No./million RMB	0.0058
	Customer satisfaction	%	93
Intellectual Property			
Patent	Number of patent applications	No.	0
Trademark	Number of trademarks held	No.	3
Copyright	Software copyright	No.	12
	Number of software titles per million Chinese Yuan	No./million RMB	0.0011
R&D and Innovation			
Research and development	Number of R&D employees	Person	71
	R&D staff ratio	%	4.6
	R&D investment	Ten thousand RMB	1956.51
	R&D investment as a percentage of revenue	%	0.17
Community Charity			
Public welfare	Donations outside the community	RMB	362,048
	Investment in community activities for public good	RMB	46,756
	Total investment in public welfare	RMB	408,804
	Community public welfare investment per million Chinese Yuan	RMB/million in RMB	36.31
	Employee volunteer hours	Hour	3,797
	Employee volunteer hours per employee	Hour	2.48
	Social contribution per share	RMB	1.50

Reporting Evaluation and Suggestions



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Change the logistics pattern in China by containers



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