



2023 Annual Sustainability Report

Guangdong Great River Smarter Logistics Co., Ltd.



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Report Compilation Instructions



This report is the fifth Corporate Social Responsibility Report / Environmental, Social, and Corporate Governance Report / Sustainability Report disclosed by Guangdong Great River Smarter Logistics Co., Ltd. since its listing in 2018. The report adheres to the principles of objectivity, standardization, transparency, and comprehensiveness, and aims to openly and transparently reflect the concepts and practices of Guangdong Great River Smarter Logistics Co., Ltd. in the areas of environment, society, and corporate governance to the government or regulatory authorities, shareholders and investors, employees, customers, suppliers, partners (industry partners/media organizations/NGOs, etc.), community residents, and other stakeholders.

Reporting Time Frame

The scope of this report covers the period from January 1, 2023, to December 31, 2023. In order to enhance comparability and completeness of the report, some content may be extended beyond the intended time frame.

Scope of the Report

This report is based on Guangdong Great River Smarter Logistics Co., Ltd. and covers the company's wholly-owned subsidiaries and holding subsidiaries, with some content also covering joint ventures and associated companies of the company.

Report Reference Standards

- 1、United Nations 2023 Sustainable Development Goals (SDGs)
- 2、Global Sustainability Standards Board (GSSB) "Sustainability Reporting Guidelines (GRI Standards)"
- 3、Shenzhen Stock Exchange "Guidelines for Self-Discipline and Supervision of Listed Companies of Shenzhen Stock Exchange No. 1 - Standard Operation of Main Board Listed Companies"
- 4、Shenzhen Stock Exchange "Guidelines for Self-Discipline and Supervision of Listed Companies of Shenzhen Stock Exchange No. 17 - Sustainable Development Reporting (Trial)"

Source of Data

The financial data in this report is sourced from the annual financial report of 2023, while other information is obtained from official documents and public information of the company. The monetary amounts mentioned in the report, unless otherwise specified, are stated in Chinese Yuan (RMB). The company is responsible for the truthfulness, accuracy, and completeness of the content of this report.

Report Release

This report is released in both Chinese and English electronic versions on the CNINFO website (www.cninfo.com.cn). In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

Feedback Channels

If you have any questions or suggestions regarding this report, please feel free to contact us via:

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Message from Chairman



Chairman of Guangdong Great River Smarter Logistics Co., Ltd.

Lin Haichuan

Dear shareholders of Guangdong Great River Smarter Logistics Co., Ltd.,:
Greetings!

As of the end of 2023, Guangdong Great River Smarter Logistics Co., Ltd. has a total of 10111 shareholders. This number represents not only 10111 solid trusts but also 10111 firm support and expectations. Every shareholder is an indispensable part of the company, and every bit of trust is the driving force behind our progress. Every year at this time, I write a letter to share with everyone and address the questions of concern. This year, as always, I would like to talk to everyone about our business updates and outlook.

Recently, I gave a speech titled "The Path of Righteousness in the Changing World - Learning and Growing in Adversity" to all employees within the company. Taking this opportunity, all GR people collectively looked back on the key milestones in the development of the company. Our first tank storage project began in a banana field on Lisha Island, Humen, Dongguan. At that time, the GR people overcame numerous difficulties such as manpower shortage, lack of funds, and technology, and after 7 years, they successfully built our first warehouse area - Dongguan Evergrowing Terminal. They also withstood the test of the market and established a strong presence in the South China market. Many of you may doubt: why do you want to talk about this matter? Well, after experiencing ups and downs over the years, I believe it is precisely the perseverance and resoluteness of "seven years honing a sword" that have led to the success of Guangdong Great River Smarter Logistics Co., Ltd. today. The resilience of pushing forward no matter how long and winding the road ahead is deeply imprinted in the genes of Guangdong Great River Smarter Logistics Co., Ltd., becoming our greatest confidence when facing market fluctuations and challenges.

Strong Resilience in Performance Growth

In 2023, although the prospect of domestic economic recovery is bright, it still appears to be challenging and full of twists and turns. Internationally, frequent black swan events occur, and the external environment becomes increasingly complex, severe, and unpredictable. In such a context, the overall sentiment in the chemical industry in which we operate remains low, and both upstream and downstream customers are facing significant business pressures. However, the GR people always face various challenges with confidence and a positive attitude towards development, as expressed in the saying: "In the dim twilight, we look at the vigorous pines, and amidst the chaotic clouds, we still remain composed." Guided by the vision of "integrating high-quality resources to provide professional logistics services for the vast chemical industry," Guangdong Great River Smarter Logistics Co., Ltd. has always adhered to a customer-centric approach. With satisfactory service, innovative models, and unremitting efforts, the company has gained the trust and support of its customers.

In 2023, Guangdong Great River Smarter Logistics Co., Ltd. achieved operating revenue of 1.547 billion yuan, representing a year-on-year growth of 22.48 %. The company also achieved a net profit of 296 million yuan, showing a year-on-year growth of 32.03%. Since its listing, Guangdong Great River Smarter Logistics Co., Ltd. has always adhered to the corporate mission of "building a development platform for employees, providing high-quality services to customers, creating comprehensive value for society, and obtaining substantial returns for shareholders". With practical actions, it has depicted a strong upward growth trajectory and demonstrated great resilience.

Business Expansion Through M&A and Organic Growth by Internal Strategy

In the past year, Guangdong Great River Smarter Logistics Co., Ltd. actively responded to the changing market conditions. The strategic advancement of the first main business, which is terminal tank storage services, and the second main business, comprehensive chemical warehouse logistics services, progressed smoothly. This has led to steady development in the direction of becoming a comprehensive chemical logistics service provider. The core asset scale and overall profitability have further improved.

Over the past year, we have seized the market opportunities for mergers and acquisitions and achieved remarkable results in the Yangtze River Delta region. In April 2023, Ningbo Ningxiang successfully acquired the 23,100 cubic meter storage tank assets of Ningbo Chenling, injecting new vitality into the company's business expansion. In September of the same year, Nantong Power Shell Petrochemical successfully acquired 100% equity of Nantong Yilian and obtained its assets of 617,000 cubic meters of storage tanks, further consolidating our leading position in the Jiangsu region. After being renamed as "Nantong Hongzhi," Nantong Yilian has merged into Nantong Base. The establishment of the Nantong base not only demonstrates the strong scale and strength of GR in the Yangtze River Delta region but also further solidifies our overwhelming industrial cluster advantage nationwide, laying a solid foundation for the company's future development.

In the past year, we steadily made progress and continuously advanced the construction work of the chemical warehouse project. Currently, the main construction of the chemical storage facilities in Chengdu and Nantong is progressing smoothly. It is expected that they will be put into operation successively in the near future, providing strong support for the company's business expansion. Meanwhile, new construction and expansion projects for chemical warehouses in Changzhou, Changshu, and other areas are also advancing vigorously. With the rapid growth of GR's secondary business, we will open up a broader space for performance growth for listed companies, consolidate GR's leading position in the chemical storage and logistics market, and significantly enhance our competitiveness in the industry.

In terms of value-added services, Guangdong Great River Smarter Logistics Co., Ltd. has comprehensively promoted the "smart customer service" in various warehouse areas, and the income has continued to grow. Nantong Power Shell Petrochemical Co., Ltd. and Taicang Power Shell Petrochemical Co., Ltd. have achieved new breakthroughs in the operation of tank cleaning and sewage reception and treatment stations in the two warehouse areas. The operation of hazardous chemical vehicle road ports projects in Nantong, Taicang, Changzhou, and other areas has been smooth, expanding our service chain. In addition, Guangdong Great River Smarter Logistics Co., Ltd.'s wholly-owned subsidiary, Jiangsu Guangdong Great River Smarter International Logistics Co., Ltd., has started building a transportation fleet and an

integrated platform for warehousing and distribution, marking the official extension of Guangdong Great River Smarter Logistics Co., Ltd.'s service chain into the field of hazardous goods transportation.

With the steady development in 2023, the storage capacity of Guangdong Great River Smarter Logistics Co., Ltd.'s tanks has increased by 617,000 cubic meters compared to 2022, a YoY growth of 14.67%. As of now, Guangdong Great River Smarter Logistics Co., Ltd. has a total of 1044 storage tanks with a total capacity of 5.1869 million cubic meters. It also has 14 docks and operates in a chemical warehouse area of 64,900 square meters. Additionally, there is an under-construction chemical warehouse area of 94.1 thousand square meters. Guangdong Great River Smarter Logistics Co., Ltd. has a total land area of nearly 6200 mu in 14 major chemical storage bases nationwide, which are strategically located in the Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta, Bohai Rim, Southeast Coastal, and Chengdu-Chongqing Economic Circle. These locations are the most economically active and concentrated areas for the petrochemical industry in China. With significant scale and geographical advantages, the company is able to fully leverage the cluster effect and synergy effect of the industry.

Intelligent Warehouse Area and High-efficiency Development

Over the past year, we have been unwavering in promoting technological innovation and committed to the construction of a smart library zone. By continuously improving the automation, informatization, and intelligence level of the warehouse, the safety management has been strengthened, the operational efficiency has been enhanced, the customer service has been optimized, and the profitability has been significantly increased. Currently, we will seize the opportunity to cultivate and develop "new productive forces" at the national and provincial levels. We will actively promote the technological transformation and innovation work in other warehouse areas. The goal is to forge our own "new productive forces" for the long-term development of GR. We will create a unique CR feature in the industry and export the GR model.

In addition, we also pay close attention to the development of artificial intelligence, a cutting-edge technology, and actively explore its application in our industry. We will increase investment in artificial intelligence technology and integrate it with intelligent library zone construction, business process optimization, and improvement of customer services to achieve more efficient, accurate, and intelligent operational management.

Leading Safety and Environmental Performance with Great Responsibility

Over the past year, we have placed great importance on exploring and practicing in the area of ESG. ESG not only matters a company's economic efficiency, but also its social responsibility and sustainable development. As a forward-thinking public company, especially in the key field of chemical warehousing, we are well aware that the sustainable development of a company depends on a reverence for the environment, a commitment to social contribution, and a continuous pursuit of excellence in governance. Guangdong Great River Smarter Logistics Co., Ltd. always integrates the ESG concept throughout the entire process of the company's development, committed to creating more value for society, the environment, and shareholders.

In the field of safety and environmental protection, we consistently practice the HSE culture of GR, treating safety and environmental protection as the lifeline of our business operations. We are also actively promoting the construction of a digital HSE management system, prioritizing HSE management and achieving precise control over all aspects of HSE management work.

In terms of public welfare and charity, we continuously practice corporate social responsibility in areas such as poverty alleviation, education funding, and environmental protection through the Hao Shan Public Welfare Foundation, the 620 GR Public Welfare Day, the GR Spark Volunteers, and various local public welfare organizations.

In the field of social services, as the president unit of the Dongguan Listed Companies Association, Guangdong Great River Smarter Logistics Co., Ltd. will continue to play a leading role in 2023. Leveraging its own experience and resources, it will help the association fully leverage its role as a bridge between the government and enterprises and contribute to the high-quality development of the Dongguan capital market.

Management Improvement, Learning Through Benchmarking

In the past year, against the backdrop of a generally sluggish industry, Guangdong Great River Smarter Logistics Co., Ltd. has focused on honing its internal capabilities and cultivating its foundation, constantly improving efficiency within its management.

In terms of reducing costs and increasing efficiency, the management aims to optimize the allocation of human resources to enhance the collaborative efficiency of the team and the individual work effectiveness. Through strengthening scientific investment decisions, multiple measures are taken to ensure that every penny can generate the maximum efficiency. In addition, by rationalizing the use of funds, the management aims to continuously improve the efficiency of fund utilization and financial management level.

In terms of team building, continuous improvement and optimization of talent management and motivation mechanisms are carried out. Through more scientific and reasonable management methods, the potential of each employee is stimulated to achieve resonance between personal and corporate development. The consensus of "unity, determination, common goals, and common development" is constantly strengthened, creating a leading team with combat effectiveness and cohesion.

In terms of leveraging the advantages of the cluster, we will continue to strengthen the integration of internal and external

resources, driving the company to constantly pursue excellence in all aspects. Externally, we leverage the advantages of multiple warehouses, broad layout, and regional superiority to vigorously promote innovative and specialized services such as "live storage, live redemption" and damage-free transfer. Internally, we continuously carry out benchmarking studies, and through the management model of centralization, we quickly promote and replicate effective valuable experiences to achieve continuous iteration of management.

New Journey Unfolded for Future Prosperity

One of the major reasons why Guangdong Great River Smarter Logistics Co., Ltd. is able to maintain a leading position in the industry is due to our consistent high level of strategic focus. Based on the petrochemical warehousing industry, which has significant barriers such as "financial barriers," "resource barriers," "qualification barriers," and "time barriers," we have been steadfastly expanding in the field of chemical warehousing since the establishment of our first storage area, Dongguan Evergrowing Terminal. This major direction will not change in the long term. We are committed to continuously promoting the business model of "dual core business of dock tanks and chemical warehouses + value-added services" towards a deeper level. We aim to thoroughly understand the chemical warehousing industry chain through "focus" and explore the industry's competitive moat through "expansion", in order to ensure that our company maintains a leading position in the fierce market competition.

As the saying goes, "After endless sifting and straining, the purest gold remains." At the beginning of 2024, although our business performance still ranks at the top of the industry, our profits have been impacted to a certain extent due to the overall pressure on the industry. However, we expect that as the economy continues to improve, our performance will return to normal more quickly.

Moreover, during the relatively weak demand for chemical storage, we predict that mergers and acquisitions in the entire industry will further accelerate. Some high-quality wharf tank assets will enter the market seeking opportunities for acquisition, which will bring us more M&A opportunities.

GR now has a healthy cash flow, and with the reduction of bank interest rates, our capital costs will also decrease. The advantage in funding will provide us with a guarantee to firmly promote the M&A development strategy. As our scale continues to expand, GR is expected to gain more say in the future market.

Overall, this year, we plan to deepen our services in four core directions based on our established development strategy, striving to create greater value for our customers.

First, expanding from commercial base to industrial database. We will firmly follow the development trend of the petrochemical industry park, establish close cooperation with large-scale petrochemical enterprises, create professional supporting warehouses, and seek opportunities for mergers and acquisitions of industrial warehouses.

Second, expanding from the domestic market to the international market. We will actively seek to acquire overseas high-quality chemical storage projects in order to provide more diversified and globalized warehouse logistics services, enhance the company's international competitiveness.

Third, expanding towards the role of integrated warehousing and distribution solution provider. We will participate in the reconstruction of the supply chain, providing customers with integrated and coordinated one-stop warehousing and logistics solutions through the integration and coordination of resources.

Fourth, extending our business service to new energy and green chemistry industry rather than only stay in fossil fuels and traditional chemical industry. We will focus on the warehousing demand for key varieties such as biodiesel, liquid ammonia, and green methanol to seize future market opportunities.

Focus allows us to resonate with the industry, while innovation enables us to symphonize with the times. GR continues to deeply cultivate the petrochemical storage and logistics industry, committed to providing solid storage and logistics support for the efficient operation of the chemical industry chain.

We aim not only to become a benchmark enterprise in HSE that is recognized by employees, respected by society, and leading the industry, but also to grow into a globally leading century-old enterprise, ensuring a thriving and everlasting business.

Finally, we would like to thank all the GR shareholders for your unwavering attention and support!

About GR

Company Profile

The company is an innovative petrochemical product logistics and comprehensive service provider, mainly offering storage and integrated services, as well as other related services, to domestic and foreign petrochemical product manufacturers, traders, and end users.

Terminal Tank Warehouse Integrated Service

Relying on the company's dock, pipelines, tanks, and loading platforms to provide customers with integrated cargo services, covering the entire process of loading, unloading, and storage.

Integrated Logistics Services for Chemical Warehouses

Relying on the company's chemical warehouses, sub-packaging equipment, hazardous goods vehicles, and other resources, the company provides customers with integrated warehousing and distribution services for goods. The business involves the entire process of transportation, loading and unloading, and warehousing.

Transit and Other Services

including lightering, transit, direct unloading of vehicles and ships, and ship supplies, etc., without involving warehousing processes.

Logistics Chain Management Service

Utilizing the company's outstanding business management capability, providing customers with integrated warehousing and logistics services, including warehouse agency services, process control services, and more, through service output.

Storage agency service

provide customers with services such as safety, quality inspection, cargo rights supervision, and handling of inbound and outbound goods during the storage period;

Process control service

Provide customers with services such as time, loss, and quality control throughout the logistics process.

Value-added Services

including intelligent customer service, cabin cleaning and wastewater treatment services, goods warehousing and exchange services, hazardous chemical vehicle road and port services, and other services

Smart customer service

customers can achieve electronic trading, online transfer, and storage of goods' property rights by using the company's smart customer service system. The smart customer service system provides customers with safe, efficient, and convenient transaction services.

Goods circulation and exchange service

Relying on the cluster advantages and large inventory of warehouses in various locations, providing customers with remote access services for petrochemical products of the same quality and quantity, reducing the comprehensive logistics costs of customers, and improving customer operation efficiency.

Tank cleaning and sewage treatment service

The company uses its own terminal to build a water-based cleaning station to provide professional cargo hold cleaning services for liquefied vessels; the wastewater generated from the tank cleaning is finally transported to a dedicated sewage treatment facility after being received and stored, and then discharged up to standard.

Hazardous chemical vehicle road port service

According to national regulations and entrusted by government departments, providing qualification certification inspections, vehicle condition inspections, vehicle storage, emergency maintenance, refueling of vehicles, tank cleaning, and other services for hazardous chemical vehicles entering the chemical industrial park, as well as providing lounges and restaurants for drivers and escorts.

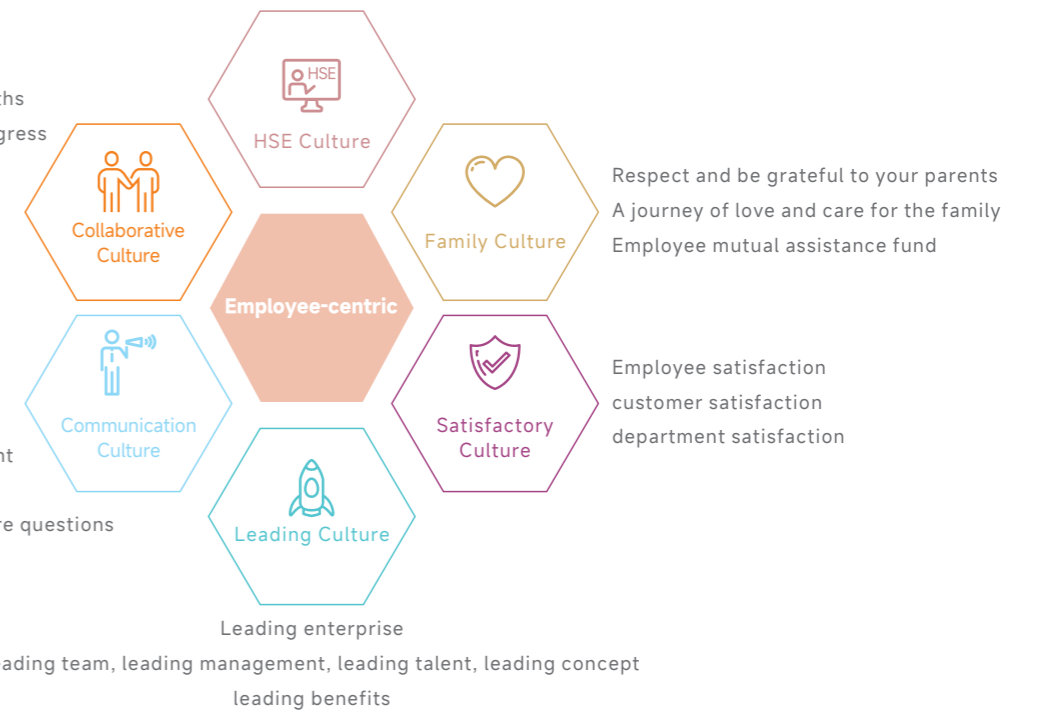
Corporate Culture

Corporate culture is a vital component of a company's core competitiveness, including 6 major cultural aspects:

Safety Mission: Life First, Safety Prioitized
Safety Vision: Peaceful and Happy Homeland
Safety Principles: Strictly adhere to safety baselines, take responsibility, strive for prevention, and strengthen management.
Safety Values: Respect, strong execution, technology-driven
Safety Purpose: Harmony between man and nature, long-term peace and stability
Safety Goals: Zero violations, zero loopholes, zero mistakes, zero accidents, zero casualties
Safety Policy: Well-rounded, rigorous, pragmatic, and comprehensive; focus on monitoring, prevention, management, and continuous improvement.

The HSE culture ensures the integrated management system of "health, safety, and environmental protection", with a core focus on human-centered approach.

Pursue mutual benefits through complementing each other's strengths and helping each other to make progress
 Working as a synergy for business expansion and one-stop service



Company Vision	Company Mission	Company Values
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Integrate high-quality resources to provide professional logistics services for the large chemical industry.	Build a development platform for employees Provide high-quality service to customers Create comprehensive value for society To obtain handsome returns for the shareholders	Integrity win-win efficiency innovation
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Focusing on Core Business

During the reporting period

Revenue contribution of terminal warehousing integrated service

88.37 %

Revenue contribution of chemical warehouse integrated service

5.39 %

As of the date of this report

Total tank capacity

5,186,900

cubic meters

Total chemical warehouse capacity

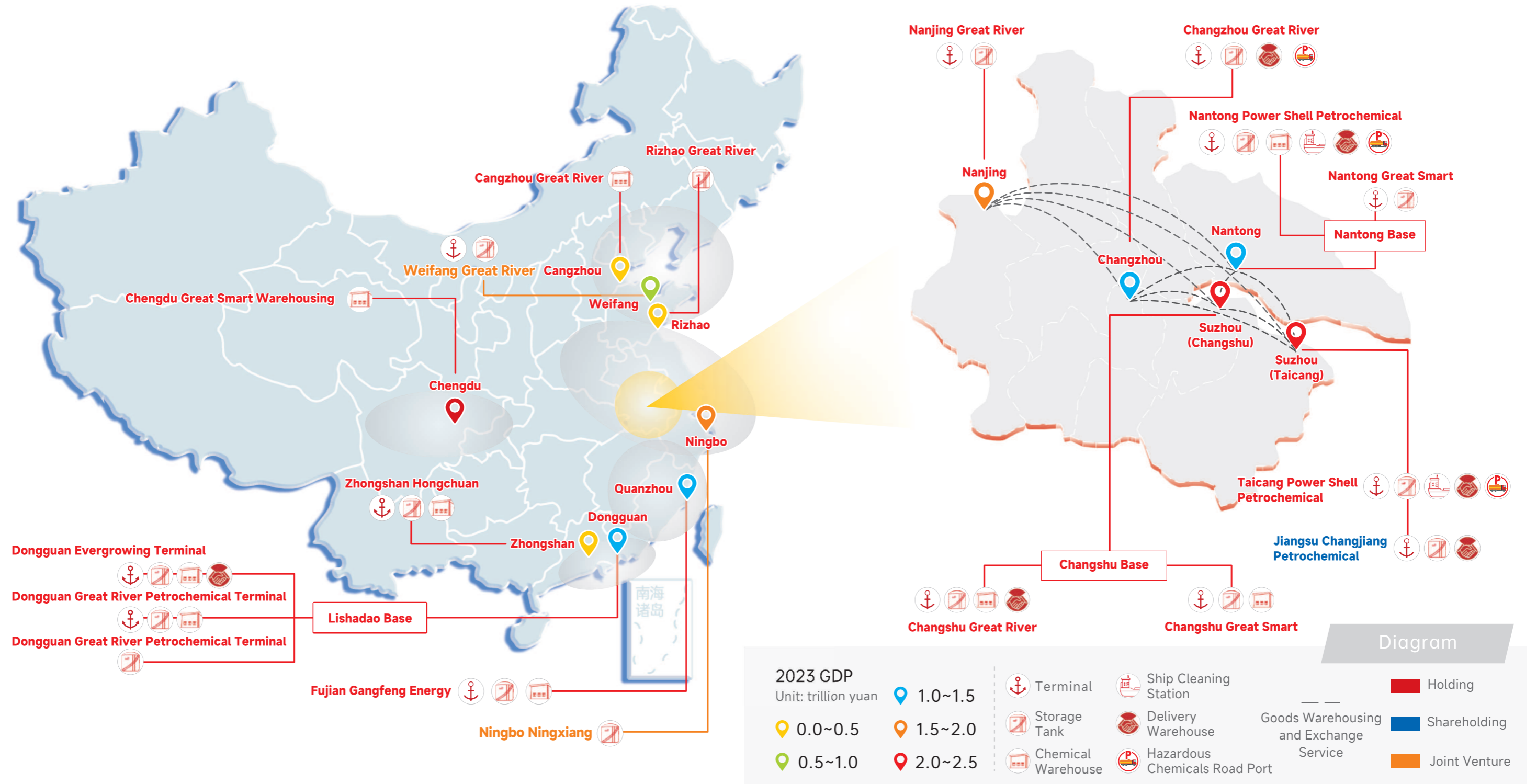
64,900

cubic meters

Total warehouse capacity under construction

94,100

cubic meters



Annual Honors and Awards

■ Awards from Government Agencies / Non-profit Organizations

<p>Guangdong Great River Smarter Logistics Co., Ltd</p> <p>Advanced Collective for Donating to Promote Education in the 2022-2023 Academic Year</p> <p>Communist Party Committee and People's Government of Jingfeng Town</p>	<p>Dongguan Evergrowing Terminal</p> <p>2022 Annual Class A Chemical Narcotic Substance Unit</p> <p>Dongguan Public Security Bureau/Dongguan Emergency Management Bureau/Dongguan Narcotic Chemicals Management Association</p>	<p>Dongguan Evergrowing Terminal</p> <p>2023 Dongguan Healthy Enterprise</p> <p>Dongguan Patriotic Hygiene Campaign Committee</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>Jiangsu Model Workers' Home</p> <p>Jiangsu General Labour Union</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>Outstanding Contribution Enterprise in Taicang City in 2022</p> <p>Communist Party Committee of Taicang City/Taicang Municipal People's Government</p>
<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>2021-2022 Annual Suzhou Labor Security AAAA-level Reputation Unit Honor Certificate</p> <p>Suzhou Municipal Bureau of Human Resources and Social Security/Suzhou Office of the Leading Group for Construction of Social Credit System</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>Suzhou Worker Vanguard</p> <p>Suzhou General Labour Union</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>Suzhou March Eighth Red Flag Collective</p> <p>Suzhou Women's Federation</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>Jiangsu Standardized Archives</p> <p>Taicang Archives</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>2022 Top Ten Advanced Service Enterprises</p> <p>Taicang Port Economic and Technological Development Zone Management Committee</p>
<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>2022 Top Ten Tax-paying Terminal Enterprises in Taicang Port</p> <p>Working Committee of the Communist Party of China Taicang Port/Management Committee of Taicang Port, Jiangsu</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>Advanced Enterprise in Safety and Environmental Protection Work in Taicang Port in 2022</p> <p>Working Committee of the Communist Party of China Taicang Port/Management Committee of Taicang Port, Jiangsu</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>2022 Specialized Trading Enterprise in Taicang Port</p> <p>Working Committee of the Communist Party of China Taicang Port/Management Committee of Taicang Port, Jiangsu</p>	<p>Nantong Power Shell Petrochemical Co., Ltd</p> <p>Worker Vanguard</p> <p>Nantong General Labour Union</p>	<p>Nantong Power Shell Petrochemical Co., Ltd</p> <p>Advanced Collective in Safety Work in 2022</p> <p>Rugao City Transportation Bureau</p>
<p>Nantong Power Shell Petrochemical Co., Ltd</p> <p>2023 Advanced Unit for High-quality Service Development</p> <p>Rugao City Transportation Bureau</p>	<p>Nantong Power Shell Petrochemical Co., Ltd</p> <p>2023 Advanced Team in Safety (Emergency) Work</p> <p>Rugao City Transportation Bureau</p>	<p>Nantong Power Shell Petrochemical Co., Ltd</p> <p>Advanced Unit in Fire Safety Work in 2023</p> <p>Rugao Fire Safety Committee Office</p>	<p>Nantong Great Smart</p> <p>Advanced Unit in Port Facility Security in 2022</p> <p>Rugao City Transportation Bureau</p>	<p>Changshu Great River</p> <p>Excellent Environmental Management Enterprise</p> <p>Changshu Ecology and Environment Bureau, Suzhou City</p>
<p>Changshu Great River</p> <p>2022 Outstanding Service Enterprise</p> <p>Working Committee of the Communist Party of China Changshu Economic and Technological Development Zone/Management Committee of Changshu Economic and Technological Development Zone</p>	<p>Changshu Great River</p> <p>Advanced Grassroots Party Organization</p> <p>Communist Party of China Changshu Economic and Technological Development Zone Working Committee</p>	<p>Changshu Great Smart</p> <p>Advanced Collective in Firefighting Work in 2022</p> <p>Working Committee of the Communist Party of China Changshu Economic and Technological Development Zone/Management Committee of Changshu Economic and Technological Development Zone</p>	<p>Nanjing Great Rive</p> <p>Advanced Unit in Fire Safety Work in 2023</p> <p>Fire Rescue Brigade of Nanjing Chemical Industry Park</p>	<p>Changzhou Great River Petrochemical Terminal Co., Ltd</p> <p>2022 Four-Star Enterprise</p> <p>Communist Party Committee and People's Government of Changzhou City</p>

<p>Changzhou Great River Petrochemical Terminal</p> <p>Worker Pioneer Role Model</p> <p>Changzhou General Labour Union</p>	<p>Changzhou Great River Petrochemical Terminal</p> <p>Top 10 Enterprises in Modern Service Industry in 2022</p> <p>Working Committee of the Communist Party of China Changzhou National Hi-Tech District; Management Committee of Changzhou National Hi-Tech District</p>
<p>Changzhou Great River Petrochemical Terminal</p> <p>Special Taxation Award in 2022</p> <p>Administrative Committee of Changzhou Binjiang Economic Development Zone, Jiangsu</p>	<p>Changzhou Great River Petrochemical Terminal</p> <p>2022 Innovation Breakthrough Award</p> <p>Administrative Committee of Changzhou Binjiang Economic Development Zone, Jiangsu</p>
<p>Changzhou Great River Petrochemical Terminal</p> <p>Clean Enterprise in 2022</p> <p>Administrative Committee of Changzhou Binjiang Economic Development Zone, Jiangsu</p>	<p>Changzhou Great River Petrochemical Terminal</p> <p>2022-2023 Advanced Grassroots Party Organization</p> <p>Communist Party of China Changzhou Binjiang Economic Development Zone Working Committee</p>

■ Industry Association Awards and Honors

<p>Guangdong Great River Smarter Logistics Co., Ltd</p> <p>Meritorious Member Unit</p> <p>China Occupational Safety and Health Association</p>	<p>Dongguan Evergrowing Terminal</p> <p>Corporate Social Responsibility Contributing Enterprise</p> <p>China Federation of Logistics and Purchasing</p>	<p>Taicang Power Shell Petrochemical Co., Ltd</p> <p>AAAA Logistics Enterprise</p> <p>China Federation of Logistics and Purchasing</p>
<p>Nantong Power Shell Petrochemical Co., Ltd</p> <p>Safety Management Enterprise</p> <p>China Federation of Logistics and Purchasing</p>	<p>Nantong Power Shell Petrochemical Co., Ltd</p> <p>Three-star Green Port</p> <p>Jiangsu Comprehensive Transportation Association</p>	<p>Nantong Great Smart</p> <p>Three-star Green Port</p> <p>Jiangsu Comprehensive Transportation Association</p>
<p>Changshu Great River</p> <p>2023 Advanced Unit</p> <p>Changshu Narcotic Chemicals Industry Association</p>	<p>Changshu Great Smart</p> <p>Most Promising Enterprise</p> <p>China Federation of Logistics and Purchasing</p>	<p>Changzhou Great River Petrochemical Terminal Co., Ltd</p> <p>Safety Equipment Technology Innovation Enterprise</p> <p>China Federation of Logistics and Purchasing</p>

■ Media Awards and Honors

<p>Guangdong Great River Smarter Logistics Co., Ltd</p> <p>2023 Investor Relations "Star" Company</p> <p>Dazhong Securities News</p>	<p>Guangdong Great River Smarter Logistics Co., Ltd</p> <p>Best Institutional Communication Award</p> <p>Panorama Net</p>
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■ Customer/Supplier Awards and Honors

<p>Dongguan Evergrowing Terminal</p> <p>2023 Excellent Logistics Partner</p> <p>CNPC South China Petrochemical Sales Company</p>	<p>Dongguan Great River Petrochemical Terminal</p> <p>Safety Management Award</p> <p>Hengli Group Co., Ltd</p>	<p>Changzhou Great River Petrochemical Terminal Co., Ltd</p> <p>2023 Excellent Logistics Service Provider</p> <p>Sinopec Chemical Sales Co., Ltd. East China Branch</p>
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Sustainable Development Management

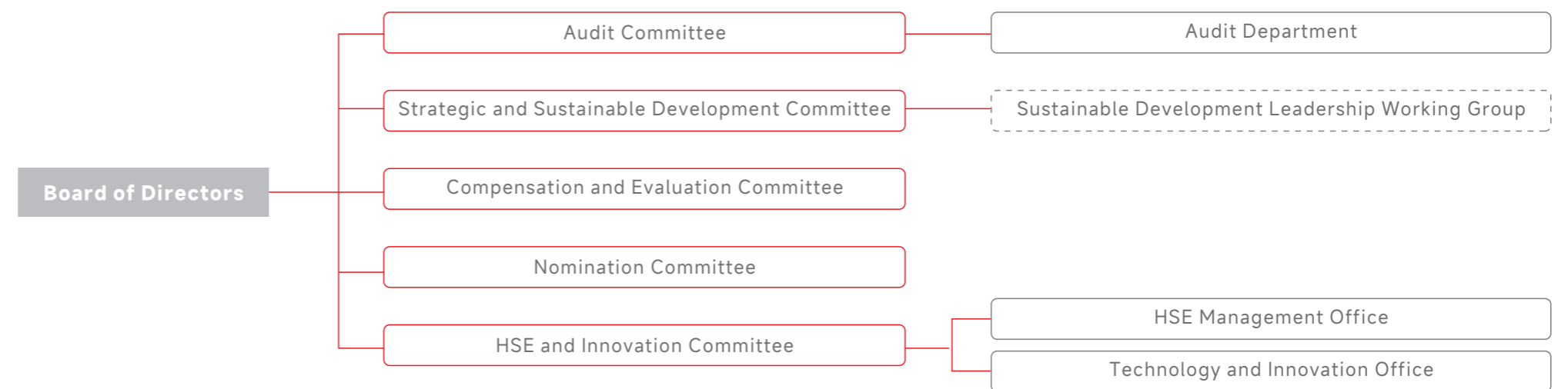
ESG Governance System

The company has always adhered to the corporate mission of "building a development platform for employees, providing quality services to customers, creating comprehensive value for society, and achieving substantial returns for shareholders." It values the deep integration of ESG management concepts with the company's development strategy, continuously improves ESG management mechanisms, clarifies ESG management objectives, and strives to enhance the level of ESG management while ensuring the achievement of company's operational goals. It actively responds to the expectations of various stakeholders, continuously creates long-term value for society, and safeguards sustainable and high-quality development of the company.



ESG Governance Framework

The company has established a scientific ESG management system, actively carries out ESG management work, and promotes the long-term sustainable development of the company. The Board of Directors Strategy and Sustainable Development Committee fulfills the regulatory responsibilities for sustainable development and establishes a Sustainable Development Leadership Task Force to effectively promote ESG governance at Guangdong Great River Smarter Logistics Co., Ltd.



 Decision-Making Level	 Management Team	 Executive Layer
<p>Board of Directors Strategy and Sustainable Development Committee</p> <p>As the highest authority and decision-making body for ESG matters in the company, it is responsible for deciding the direction of sustainable development strategy, supervising and guiding the implementation of ESG work, and ensuring the smooth operation of ESG Management.</p>	<p>Sustainable Development Leadership Working Group</p> <p>Composed of senior management, the company establishes ESG management objectives that align with the company's development stage and supervises the implementation of these objectives.</p>	<p>Centers/business units and subsidiaries</p> <p>Implement specific ESG-related work in accordance with established management targets and mechanisms, and regularly report work progress to the Sustainable Development Work Group.</p>

■ ESG Goals



Governance



Optimizing sustainable development management

Establish a three-tier governance structure of "decision-making level, management level, and execution level", and formulate sustainable development management principles and management objectives

Strengthen stakeholder communication

Enhance communication and interaction with stakeholders, conduct stakeholder opinion surveys through questionnaire

Standardize risk and compliance management

Integrate risk control into daily operations, establish risk management and internal control systems that cover all aspects, and continuously improve risk prevention capabilities

Enhance business ethics education and training

Training on business ethics were conducted throughout the year, achieving a 100% employee sign-off rate on the "Anti-Corruption Commitment Letter".



Environment



Promoting Environmental Management System Certification

Perfecting the "Environmental Protection Management Measures," passing the recertification audit of the ISO14001 Environmental Management System, and obtaining Green Port Certification for some subsidiaries.

Climate risk identification and response

Identify climate-related risks that may affect the Group, establish a list of climate change risks and opportunities, and develop corresponding response measures

Reduce energy consumption and carbon emissions

Throughout the year, regular energy assessments are conducted in each warehouse area, and energy-saving equipment renovation projects are carried out; carbon inventory work is gradually being implemented in each warehouse area.

Improve water resource utilization rate

Improving water resource management regulations and implementing measures such as rainwater collection and utilization, as well as the recycling of reclaimed water. Throughout the year, 23,258 tons of reclaimed water were reused.

Increase investment in pollution prevention and control

Construct a total of 2 washing stations, equipped with 10 sets of sewage treatment systems

Develop green storage and transportation business

Throughout the year, each warehouse area carried out VOCs (Volatile Organic Compounds) treatment and improvement work, reducing emissions by 464.24 tons. 536.84 tons of solid waste were declared, and the emissions of the three wastes (waste gas, wastewater, and solid waste) all met the required standards.



Service



Build a smart warehousing management platform

Continuously increasing investment in informatization, optimizing multiple functions of the five major information platforms for intelligent warehouse management

Continuous improvement of customer satisfaction

Optimize the customer service system, standardize customer complaint handling, achieve a 100% customer complaint handling rate, and 0 major customer complaint in 2023

Increase investment in scientific research and innovation

Invest 53.4623 million yuan in R&D throughout the year, a total of 233 R&D personnel, apply for 130 patents

Enhance Information Safety and Privacy Protection

Customer information and all internal and external information are subject to usage authorization and confidentiality provisions. There have been no incidents of information leakage throughout the year



Society



Strengthen safety production and operation

Implement a performance assessment system for the HSE based key responsibility, carry out hidden danger investigation throughout the year, provide safety training 386 times.

Ensure occupational health and safety

Successfully passed the recertification audit for the ISO 45001 Occupational Health and Safety Management System; achieved a 100% employee physical examination rate throughout the year, with zero occupational diseases and zero casualties.

Enhance employee salary and benefits levels

Improve a diversified welfare system, with a 100% annual employee social security coverage rate, and 623 person-times covered by the stock incentive plan

Prioritize employee development and training

Improved the dual-channel promotion mechanism for both management and technical roles, and continuously developed the "E-Enterprise Learning" online learning platform of GR Management Academy. Throughout the year, employees received a total of 3,540 hours of training, with an investment of 929,600 yuan in training programs.

Standardize sustainable management of suppliers








Promoted the continuous improvement of ESG performance among supplier partners, strengthened end-to-end supplier management, conducted annual comprehensive evaluations, and achieved a 100% signing rate for the supplier integrity and compliance clause.

Increase investment in community development and public welfare activities

Carried out distinctive public welfare activities such as charitable donations, safety awareness campaigns, and environmental protection initiatives. Throughout the year, employees participated in public welfare activities for a total of 192 hours, and the company made donations totaling 1,664,400 yuan.

Stakeholder Engagement

The company attaches great importance to communication with various stakeholders, fully respects and safeguards their legitimate rights and interests. In response to the characteristics of different stakeholders, the company has established diverse and efficient communication channels, aiming to ensure stakeholders' right to information and proactively understand and respond to their concerns and demands.

Stakeholders	Communication Requests	Methods of Communication	Issue response
 Government/ regulatory agencies	<ul style="list-style-type: none"> Comply with laws and disciplines tax payment by law safe operation support economic development 	<ul style="list-style-type: none"> information disclosure special report statistical statement field visit and research 	<ul style="list-style-type: none"> corporate governance risk management taxation management business ethics production safety management
 Shareholders/ Investors	<ul style="list-style-type: none"> development strategy company performance corporate governance risk management profits distribution enhance communication 	<ul style="list-style-type: none"> general meeting of shareholders information disclosure research and communication roadshow reverse roadshow interactive E platform investor relations hotline investor relations email 	<ul style="list-style-type: none"> sustainable development management corporate governance risk management taxation management business ethics
 Employees	<ul style="list-style-type: none"> protection of human rights employee care compensation and benefits training and career development health and safety management 	<ul style="list-style-type: none"> Employee Congress Employee satisfaction questionnaire Reasonable Suggestion 	<ul style="list-style-type: none"> Occupational Health and Safety Compliance Employment and Equal Opportunities Employee Welfare Protection Training and Career Development
 Customer	<ul style="list-style-type: none"> cargo loss rate time management safe operation good faith operation expand business scope 	<ul style="list-style-type: none"> customer satisfaction survey for service regular follow-up visits complaint and feedback channels 	<ul style="list-style-type: none"> service improvement system customer experience information security and privacy protection R&D and innovation protection of intellectual property green storage and transportation
 Supplier	<ul style="list-style-type: none"> strengthen communication and cooperation good faith operation responsible procurement 	<ul style="list-style-type: none"> annual assessment of suppliers supplier joint technology training 	<ul style="list-style-type: none"> business ethics supplier management
 Fellow industry partners/media organizations/NGOs, etc	<ul style="list-style-type: none"> fair competition strengthen communication and cooperation mutual benefit, common development 	<ul style="list-style-type: none"> sign the agreement and contract collaborative research and exchange of professional technology 	<ul style="list-style-type: none"> business ethics promoting industry development
 Public community	<ul style="list-style-type: none"> participate in community activities maintain ecological safety promotion of employment 	<ul style="list-style-type: none"> establish communication mechanisms on-site investigation and research participating in social welfare conducting volunteer activities 	<ul style="list-style-type: none"> climate change response environment management system carbon emissions management energy consumption and management water management emissions management waste management ecological conservation and land management environmental protection education community contribution

Material Issue Analysis

The company continues to monitor the dynamics and trends of sustainable development in its industry. Based on the "substantial" principle in the Global Reporting Initiative's "Sustainability Reporting Standards" (GRI Standards), the company integrates its vision, mission, values, and concepts of sustainable development with the demands of various stakeholders. It continues to conduct identification, research, evaluation, and disclosure of substantive issues, establishing topics that are important to both the company and its stakeholders, and using them as important guidelines for sustainable development management.

■ Process of Issue Analysis

By analyzing policy documents, disclosure standards, benchmarking with industry peers, etc., a total of 29 issues were identified across governance, environment, service, and social aspects, forming the company's 2023 sustainability issue repository.

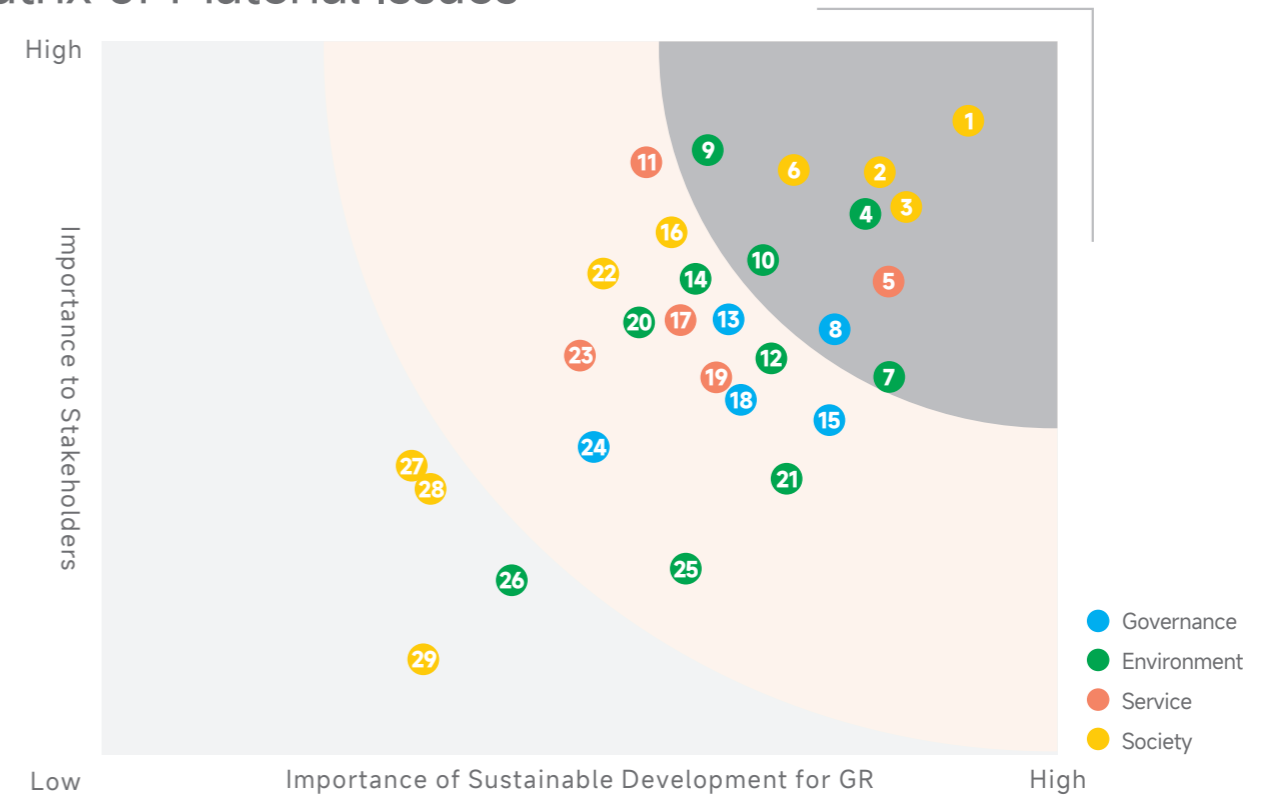
The Board of Directors is responsible for reviewing the evaluation of substantive issues, ultimately forming a matrix for the analysis of substantive issues, which serves as a key focus for the management and reporting of the company's sustainable development.



Opinions were collected from the government or regulatory agencies, shareholders and investors, employees, customers, suppliers, partners (industry partners/media organizations/NGOs, etc.), community residents, and other stakeholders through questionnaire surveys. A total of **681** questionnaire survey responses were received.

Based on the survey results of stakeholders and combined with expert suggestions in the field of sustainable development, the importance of substantive issues was ranked from the perspectives of "importance to stakeholders" and "importance to Guangdong Great River Smarter Logistics Co., Ltd.".

■ Matrix of Material Issues



Significance Stratification	Low			High		
	Sort	Scope of Issues	GR 2023 Issue Repository	Sort	Scope of Issues	GR 2023 Issue Repository
Core Issues	1	Society	Production Safety Management	16	Society	Compliant Labour and Equal Opportunity
	2	Society	Occupational Health and Safety	17	Service	Customer Experience
	3	Society	Employee Benefits and Welfare	18	Governance	Sustainable Development Management
	4	Environment	Emissions Management	19	Service	R&D and Innovation
	5	Service	Well-established Service System	20	Environment	Green Storage and Transportation
	6	Society	Safety Drills and Training	21	Environment	Water Management
	7	Environment	Energy Consumption and Management	22	Society	Training and Career Development
	8	Governance	Business Ethics	23	Service	Protection of Intellectual Property
	9	Environment	Waste Management	24	Governance	Taxation Management
	10	Environment	Environment Management System	25	Environment	Ecological Protection and Land Management
Key Issues	11	Service	Information Security and Privacy Protection	26	Environment	Environmental Protection Promotion
	12	Environment	Carbon Emissions Management	27	Society	Supplier Management
	13	Governance	Risk Management	28	Society	Promote Industrial Development
	14	Environment	Climate Change Measures	29	Society	Community Contribution
	15	Governance	Corporate Governance			
General Issues						

GOVERNANCE

- **Standardizing Corporate Governance**

 - Corporate Governance

- **Risk and Compliance**

 - Risk Management

 - Tax Management

- **Business Ethics Practice**

 - Anti-corruption

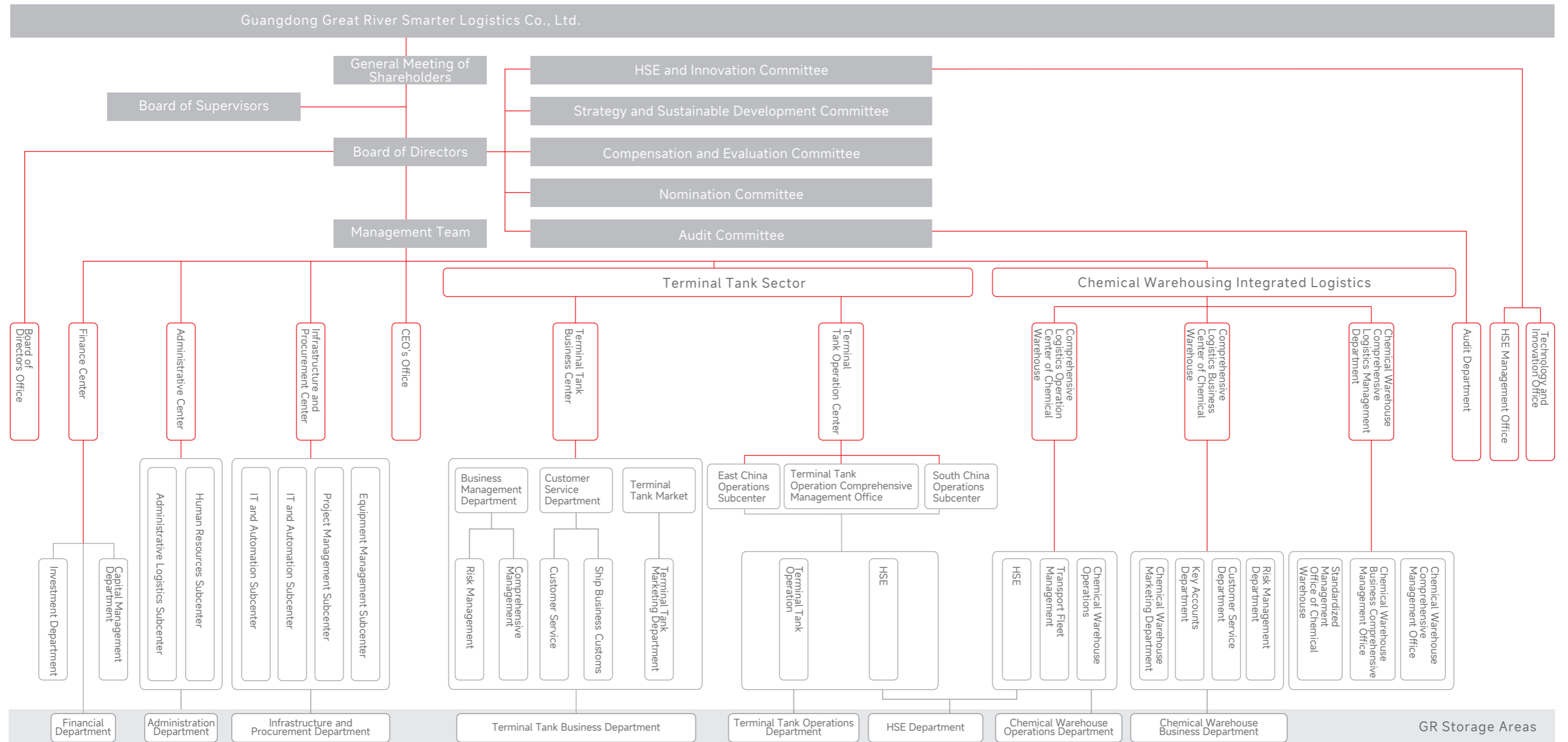
 - Anti-unfair Competition



Standardizing Corporate Governance

Corporate Governance

Based on the requirements of relevant laws and regulations such as the "Company Law" and "Securities Law," the company has established a standardized governance structure and formed a corporate governance system with clear responsibilities, checks and balances, and efficient operations.



■ Operation of the Three Meetings

Shareholders and General Meeting of Shareholders



During the reporting period, the company held a total of **10** General Meetings of Shareholders, reviewing **48** resolutions.



The General Meeting of Shareholders is composed of all shareholders and serves as the highest authority of the company. The company strictly follows the requirements of relevant laws and regulations, normative documents such as the Securities Law, Company Law, Articles of Association, and Rules of Procedure for General Meeting of Shareholders, to regulate the procedures of convening, holding, and voting at the General Meeting of Shareholders. It treats all investors equally, ensuring that shareholders, especially small and medium-sized shareholders, can fully exercise their shareholder rights and effectively safeguard the rights and interests of small and medium-sized shareholders.

Supervisors and Board of Supervisors



During the reporting period, the company held a total of **13** meetings of the Board of Supervisors and reviewed **63** resolutions.



The Board of Supervisors is composed of three supervisors, including two shareholder representatives and one employee representative. Members of the Board of Supervisors have backgrounds in accounting, chemical engineering, and human resources. The composition of the Board of Supervisors is reasonable, and the qualifications, selection process, and composition of supervisors all comply with relevant laws and regulations. All members of the Board of Supervisors shall diligently fulfill their duties and carry out inspections and supervision of the company's business operations and the performance of executive personnel in accordance with relevant regulations such as the "Rules of Procedures of the Board of Supervisors", to promote the standardized operation of the company.

Directors and Board of Directors



During the reporting period, the company held a total of **13** Board of Directors meetings and reviewed **90** resolutions.



The Board of Directors consists of seven directors, including four non-independent directors and three independent directors. The members of the Board of Directors include professionals from the accounting, legal, and investment fields. The structure of the Board of Directors of the company is reasonable, and the qualifications, selection procedures, and composition of the directors all comply with relevant laws and regulations. All directors are diligent and responsible and are able to conduct their work in accordance with the provisions of the "Board of Directors Meeting Rules" and the "Independent Directors Working System". The Board of Directors has established the Audit Committee, Compensation and Evaluation Committee, Nomination Committee, Strategy Committee, and the Health, Safety and Environment and Innovation Committee (HSE & Innovation Committee), further enhancing the corporate governance structure.

Board of Directors Diversity

Diverse professional background	The members of the Board of Directors of the company possess diverse educational backgrounds, professional experiences, or academic achievements in fields such as chemicals, finance, accounting, law, and human resources.
Diversity in team composition	The Board of Directors of the company consists of 7 directors, including 3 independent directors, accounting for 43% of the total. The directors' ages range from 40 to 70, covering multiple different age groups. The Board of Directors currently does not have any female members.

Name of Committee	Responsibilities
Audit Committees	Responsible for communication between internal and external audits of the company; overseeing and verifying work; auditing the company's financial information and disclosure
Compensation And Evaluation Committee	Responsible for formulating the compensation standards and plans for company directors and senior management personnel; review the performance of company directors and senior management personnel and conduct annual evaluations; supervise the implementation of the company's compensation system
Strategy Committee	Responsible for conducting research and providing recommendations on the company's medium and long-term development strategies and major strategic investment decisions; responsible for determining the direction and scope of sustainable development strategies, overseeing and guiding the implementation of ESG work, ensuring the smooth operation of ESG management in the company
HSE and Innovation Committee	Responsible for researching and proposing guidance and recommendations for the long-term planning, annual plans, and phased plans of the company's HSE and Innovation work
Nomination Committee	Responsible for studying the criteria, qualifications, and evaluation procedures for the selection of board members and senior management personnel, and making recommendations; extensively search for qualified candidates for board members and senior management personnel, and present appointment and dismissal recommendations to the Board of Directors

Operation of the Special Committee

The Board of Directors of the company has established five specialized committees: the Audit Committee, the Compensation and Evaluation Committee, the Strategy Committee, the Health, Safety and Environment and Innovation Committee (HSE & Innovation Committee), and the Nomination Committee. Different specialized committees perform their respective duties, with members working diligently and ensuring that decision-making processes are scientific, democratic, and law based. In the fiscal year of 2023, the various specialized committees held a total of **22** meetings and reviewed **67** resolutions.

Note: As of the date of this report's disclosure, the Strategy Committee has been restructured into the Strategy and Sustainable Development Committee within the frame of Board of Directors.

■ Composition of Management Personnel and Procedures for Compensation Resolution

■ Information Disclosure



Composition of Management Personnel

As of the date of issuance of this report, the company has **6** senior management personnel. The company's daily business activities are carried out by the senior management personnel. The management team has extensive industry background and professional management experience. They diligently put the company's merger and development strategy into practice, laying a solid foundation for its sustainable development.

The company complies with the various provisions and requirements of the China Securities Regulatory Commission and the Shenzhen Stock Exchange regarding information disclosure. It has established and strictly implements a comprehensive "Information Disclosure Management System" and "Insider Information Access Registration Management System". The company faithfully fulfills its information disclosure obligations, ensuring that information disclosure is true, accurate, complete, timely, and fair, maximally protecting the interests of investors.



Executive Compensation Decision-Making Process

Proceedings of Compensation Decision

The Compensation and Evaluation Committee of the Board of Directors is responsible for:

- Develop the salary standards and plans for senior management personnel within the company;
- Review the performance of the company directors and senior management in fulfilling their responsibilities and conduct annual assessments of them.

Basis for Determining Compensation

The compensation of senior management personnel serving in the company consists of basic salary and performance-based salary. The basic salary is determined based on the nature of their positions and the duties they assume, while the performance-based salary is determined based on their work performance, ability to fulfill duties, completion of responsibility targets, the company's operating performance, etc.

Basis for determining annual compensation:



Methods of Salary Payment

The basic salary of senior management personnel in the company is paid in full monthly, while performance-based salary is distributed according to the assessment period.



During the reporting period, the company disclosed a total of **311** announcements, intermediary agency documents, and so on.



Risk and Compliance

Risk Management

■ Risk Management System Measures

The company has fully integrated risk management into its routine operations by developing an extensive set of internal control and management systems. These systems encompass a wide range of areas including organizational structure, human resource management, safety in production, financial management, procurement activities, asset management, sales operations, project engineering, contract administration, guarantee transactions, external investments, related party dealings, and disclosure of information. The implementation of these systems ensures that there are established protocols for all activities, thereby creating a structured and regulated management framework; The company conducts a comprehensive risk management strategy in accordance with the principles of totality, reasonableness, autonomy, and materiality. It organizes compliance and risk management teams for each business sector or center, tasked with the identification, assessment, and formulation of risk control measures for their respective areas of operation. This approach establishes a "vertical" risk management system that extends from the corporate governance level through the management and operational layers, and a "horizontal" system that operates across all business sectors or centers. It ensures a clear delineation of responsibilities and fosters interdepartmental cooperation to construct a robust risk control framework. Meanwhile, the company continues to strengthen its information system construction, continuously promoting the transformation of key business processes from manual to automated and enhancing the level of risk prevention. During the reporting period, projects such as intelligent inspection robots, self-service weighing systems, and budget management systems were implemented.

■ Internal Supervision and Control

General Supervision

The company adheres to the principle of "risk-oriented, with legal and compliance as the focus". Based on the perspective of risk management, each business unit/center continuously reviews and examines the weak links in corporate internal control and potential risks in business operations. It carries out standardized management, benchmarking management, and summarizes the key business, major projects, and central management on a quarterly basis, forming a bottom-up self-supervision mechanism.

Audit Supervision

The company has established an Audit Committee under the Board of Directors. The Audit Department operates independently and conducts its audit work under the guidance of the Audit Committee, reporting its activities to the Audit and Compliance Committee.

The Audit Department supervises various business processes of the company on a daily basis in accordance with the "Internal Audit Management System". It evaluates and examines internal controls and other aspects of the company. For issues discovered during the examination process, the department promptly communicates with the respective responsibility centers, implements corrective measures and timelines, and conducts follow-up inspections for subsequent rectifications. This ensures a closed-loop audit process. During the reporting period, the Audit Department carried out auditing work on business processes such as sales, procurement, and engineering, as well as significant cost expenditures, in accordance with the annual audit plan and focusing on internal control and management requirements.

The audit work is categorized as follows:

Annual Audit: Carry out annual audit activities according to the audit plan, providing comprehensive supervision and evaluation of business processes.

Project Budget and Final Account Audit: Conduct audits of project budgets and final accounts based on industry characteristics, with a focus on risks associated with engineering projects.

Special Audit: Carry out special audits irregularly based on changes in the external environment and the company's operational and management requirements, continuously promoting standardized management.

Compliance Awareness Training

The company continues to conduct compliance training empowerment courses with a total of 22 hours designed, using the online learning and post-course testing format of the GR E-learning platform, to strengthen employees' compliance awareness.

Taxation Management

■ Taxation Management Policy

The company strictly abides by tax regulations and always adheres to the principle of paying taxes in accordance with the law and in good faith. The total tax payment for the year 2023 amounted to **175,647,512** yuan.

■ Tax Compliance

The company has established the "Taxation Management Regulations", clarifying the principles of taxation and the workflow of tax declaration and other work processes. It has also established a tax audit mechanism from the financial departments of each subsidiary and the subsidiary's financial director to the Finance Center, strictly managing various tax-related work and fulfilling tax obligations in accordance with the law. The company continues to maintain good tax relations and effectively prevent and mitigate tax risks.

■ Focus on Tax Laws and Policies

The company has established a tax legislation library and actively responds to policy changes. At the same time, it regularly evaluates potential tax risks and implements dynamic management of tax risks to effectively ensure the company's compliance in its operations.

Business Ethics Practice

Anti-corruption

The company is committed to creating a fair, transparent, and honest work and business environment, with zero tolerance for bribery, extortion, and corruption among employees and partners. To solidly promote the construction of anti-corruption and integrity, the company integrates the principles of comprehensive, strict party governance and improved corporate governance. The disciplinary inspection committee, based on its responsibilities, assists the party organization in refining the "personalized" list of responsibilities for team members, and carries out the implementation of the "dual responsibilities" effectively. This drives team members to supplement shortcomings, strengthen areas of weakness, and improve the quality of fulfilling their responsibilities, thus establishing a complete chain of accountability, supervision, evaluation, and accountability. This achieves the organic integration of internal party supervision and enterprise internal control mechanisms. It also serves as a reliable "firewall" to safeguard the integrity of the company. Through comprehensive measures such as institutional development, deterrence and warning, and publicity and education, the company supports and promotes high-quality development.

■ Key Performance



During the reporting period, there were **0** reported cases of corruption



During the reporting period, a total of **59** training sessions on anti-corruption and bribery were conducted online and offline, with a total of **185** participants and an average duration of **3** hours. Among the board members, **4** received anti-corruption training, with an average duration of **1** hour.



Employee "Anti-Corruption Commitment" signing rate reaches **100%**
Supplier "Integrity Practice Clause" signing rate reaches **100%**



■ Anti-corruption System

In order to create a fair, just, and transparent working environment, the company has established an anti-corruption system based on the principles of "dare not, cannot, do not want." This system aims to strictly prevent and punish illegal and corrupt practices such as bribery, embezzlement, and fraud.

The secretary of the Disciplinary Inspection Committee is served by company director and vice president Gan Yi

- Cultivating a work environment where corruption is not tolerated: Taking the initiative to fight against corruption, implementing professional investigations, and holding individuals accountable
- Building a "Corruption-Free" Governance Environment: Organizational Governance, Institutional Norms, Democratic Supervision
- Build a strong ideological foundation of "rejecting corruption": signing commitments, promoting education, specialized studies, and creating an organizational atmosphere

■ Anti-corruption Measures

- The Disciplinary Inspection Committee takes the lead in formulating documents, regulations, and other related systems related to integrity, Standardization of positions at risk for commercial bribery and embezzlement;
- Including anti-bribery provisions in commercial contracts;
- Training and propagating to employees in relevant positions, signing the "Integrity Commitment Letter";
- Multiple ways of reporting through hotline, email, mail and website;
- The discipline inspection committee is responsible for internal supervision, while third-party lawyers are responsible for external due diligence investigations;
- Develop an annual supervision plan, conduct 1 to 2 special inspections per year, integrate internal audit work, and be stationed to receive real-name and verified reports;
- Incorporate integrity requirements into the supplier management mechanism, and include clauses on integrity practices in supplier contracts.

■ Anti-corruption Education

Continue to carry out the promotion and education of an honest and clean corporate culture, disseminating the company's anti-corruption system and measures to employees through various forms such as the "Three Cups of Tea" system, disciplinary laws lessons, and OA notifications. For grassroots employees and management staff in the business area, utilize platforms such as work contact groups to disseminate learning materials on party discipline and clean governance, warning cases, conduct offline training, organize field trips for learning, and other methods. Conduct positive promotion of the culture of integrity and provide negative warnings through corruption cases. Organize all employees to learn and abide by the rules and regulations.

■ Reporting and Processing

The Disciplinary Inspection Committee standardizes the process, criteria, and management requirements for reporting and handling violations and disciplinary incidents, and establishes a mechanism for reporting and protecting whistleblowers. The Discipline Inspection Committee is responsible for handling reports. Upon receiving written evidence and reports with real names, it will initiate an investigation procedure. Based on the investigation results, a investigation report will be issued. The identity of the reporter will be kept confidential throughout the entire process. Depending on the severity of the specific circumstances (whether it was voluntarily or involuntarily reported) and the amount involved in the case, a decision will be made to either immediately terminate the employment relationship or transfer the case to judicial authorities. Whistleblowers and witnesses will be rewarded accordingly.

Reporting Channels

The company has set up six reporting channels targeting different groups, including hotlines, email, and official websites.

 <p>Telephone Report</p> <p>Landline: 0769-86002930</p>	 <p>Report via Email</p> <p>hcjw@grgroup.cc</p>	 <p>Website Reporting</p> <p>Party Building Platform Secretary's Mailbox: http://appgrgroup.cc:9098</p>
 <p>Complaint letter</p> <p>Discipline Inspection Committee, Building 1, CR Building, No. 6 Libin Road, Songshan Lake Park, Dongguan City, Guangdong Province, Zip Code 523830</p>	 <p>Appointment for Visits</p> <p>Discipline Inspection Commission of CR Building, No. 1, Lobby Road, Songshan Lake Park, Dongguan City, Guangdong Province</p>	 <p>Others</p> <p>Other forms suitable according to the informer</p>

To the Public

Internal staff and external stakeholders

Processing efficiency

The Discipline Inspection Committee requires all supervisory units to follow the "three ones" timeliness requirements and respond promptly and actively handle them.

Three-One delivery requirements:

One working day response:

After receiving the report, we will respond to the reporter within one working day

Confirmation of filing within a week:

After receiving the report, the need to initiate an investigation is confirmed within a week

Complete investigation within one month:

After confirmation of the filing, complete the report investigation and provide a response of the results within one month.

■ Protection of Whistleblowers

The company has clearly defined the requirement for confidentiality of informants, meaning that every employee who has access to whistleblower information should keep it confidential. The leaders of each organization are responsible for the protection of witnesses (including whistleblowers) as the primary responsible party. They should take reasonable measures to protect witnesses (including whistleblowers) and ensure that their fundamental rights are not violated, and to prevent any form of retaliation. In addition, the company has established a reward program for whistleblowers and witnesses based on the circumstances.

Anti-unfair Competition

In its daily operations, the company strictly abides by the relevant laws and regulations on anti-monopoly and anti-unfair competition, such as the "Anti-Monopoly Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China", and the "Civil Code of the People's Republic of China", as well as the company's commercial behavior standards. The company adheres to the commercial principles of fairness, justice, cooperation, and win-win to build a business environment. It actively prevents and proactively responds to monopoly and unfair competition risks in the market and insists on gaining customer trust through orderly competition and providing high-quality and reliable services. At the same time, the company requires its partners to follow the principles of fair competition and integrity in business operations and not to engage in any behavior that undermines fair competition or violates anti-monopoly laws and regulations.

The company effectively identifies and objectively evaluates customer requirements, provides services to customers based on commercial integrity, and does not engage in unfair means of vicious competition. The company's audit department participates in procurement bid monitoring to form a closed loop of supervision and management, standardizing the behavior of bidders, bidders, and evaluation experts, and guiding the company and its employees, customers, suppliers, and other stakeholders to operate with honesty and integrity and compete fairly.

Mergers and acquisitions are the keys for the company's growth. The company complies with relevant anti-monopoly laws and regulations during the merger and acquisition process and follows the principle of fair competition after the merger and integration.



In 2023, the company did not have any major incidents involving suspected monopoly or unfair competition.

SERVICE

■ Delivering Quality Services

Improving Service System

Improving "Quantity, Quality, and Efficiency" Management

Improving Customer Satisfaction

Addressing Customer Complaints

Protecting Customer Privacy

■ Specializing in Intelligent Storage and Transportation

Improving Innovation Management

Building a Digital Platform

Protecting Intellectual Property

2







Delivering Quality Services

Improving Service System

■ Customer Service System

The company's business center continues to strengthen the quality management of customer service, constantly improve the customer service system, implement the first-inquiry responsibility system, and emphasize that "everyone is the first responsible person for service."

Based on the characteristics of the company's subordinate storage areas, which are numerous, widely distributed, and have regional advantages, the company has gradually formed four service models: butler-style service, expert-style service, customized service, and extended service.

-  **Butler-style Service:** Customer service personnel provide pre-reminders to customers about potential issues that may arise in various aspects of the warehousing service process, offering personalized service to customers.
-  **Expert-style Service:** There are slight differences in the team model between the two main businesses. In the wharf tank storage business, business personnel form multiple cross-storage area product groups, and these product groups provide professional and targeted services to customers. In the chemical warehousing and comprehensive logistics business, professional and targeted services are provided to customers through dedicated customer managers for large customers and the "warehouse preparation meeting" mechanism for new customers.
-  **Customized Service:** Focusing on long-term cooperation intentions, customized services are provided according to customer needs in terms of agreement clauses and hardware equipment and facility modifications.
-  **Extended Service:** This refers to providing industry information exchange services to customers, their upstream suppliers, and downstream purchasers.

First Main Business




Wharf Tank Storage Business
Advantages of Cross-Storage Area Product Group Service

Drawing on years of accumulated talent and experience in storing and managing liquid chemical products, with a focus on customer base and similar products, the company is enhancing joint business activities among various subsidiary departments. This involves strengthening product groups across warehouse areas to offer customers more professional, efficient, and diverse collaborative services. The product team members deliver customized and comprehensive logistics solutions to customers, drawing from their extensive experience with products and related industry chains, with the aim of reducing customers' logistics expenses.

Second Main Business



Chemical Warehousing and Comprehensive Logistics Business
Advantages of Large Customer Group Service

By leveraging its subsidiary transportation company and third-party logistics capabilities, the company offers customers a range of services including warehousing and value-added services for packaged hazardous chemicals, container services such as disassembly and assembly, local inspection, and hazardous packaging, as well as storage for liquid hazardous chemicals in tanks. Additionally, the company provides services for liquid product packaging and drumming, as well as comprehensive warehousing and transportation logistics solutions. The experienced business personnel in the key account department act as key account managers, offering enhanced and efficient services to key clients. The business department leads and coordinates with the operations department and HSE department to organize a "warehouse readiness meeting" before welcoming new customers. During this meeting, a thorough analysis and discussion of customer requirements takes place, and standard operating procedures are formulated to ensure the precise implementation of these requirements.

■ Customer Service Mechanism



The long-term performance management mechanism for window service

The company relies on the expertise of CR Management Academy's professional training team. Improvements in service level are achieved through strategies such as standardization, training empowerment, cultural promotion, and management incentives. The mechanism also involves proactive measures such as passive complaints, proactive research, daily inspections, and annual certification, which are linked to employee performance and honor rewards. This approach ensures continuous optimization of window service through long-term operation, complaint case notification, targeted retraining, and standard optimization.



The Key Contact Person List Mechanism

A customer service work group has been formed and a list of key contact persons has been established to ensure smooth communication. This information has been communicated to the customer service team and the relevant key contact persons are ensuring that the process runs efficiently.



Service Quality Event Closed-Loop Management Mechanism

A closed-loop management system for service quality events has been established, covering event investigation, root cause analysis, formulation of improvement measures, implementation of rectification measures, and verification of rectification effectiveness.

Improving "Quantity, Quality, and Efficiency" Management

Establish and improve unified data quality management rules and regulations, as well as a data quality internal control management and assessment system. Continuously enhance employees' professional skills and data quality management awareness by conducting targeted training to raise their consciousness of loss reduction and emission reduction. Ensure that every employee is well-versed in the characteristics of chemicals and the control measures for quantity and quality management.

■ Management of Quantity



Accurate Measurement and Internal Control

Further research is being conducted on national and international standards for measuring hazardous chemicals. This involves the utilization of high-precision automated measurement systems and equipment to monitor and record in real-time. The aim is to guarantee the precise quantity of chemicals in storage and during transportation, thereby minimizing potential errors.

The company conducts comprehensive identification, assessment, and control of risks related to chemical quantities, including but not limited to measurement errors, data distortion, leakage accidents, etc., to ensure the effective operation of the entire process quantity management system. The company strictly implements standardized procedures for chemical storage, delivery, and inventory counting to ensure data accuracy and consistency in management, using assessments to promote improvement.



Preventing Losses and Leakage Reduction

By enhancing operational techniques and upgrading equipment, the loading and unloading process can be optimized to effectively minimize the loss resulting from chemical volatilization and leakage. Continuously refining the data on loss rates will contribute to the reduction of carbon emissions and resource wastage.

The implementation of green, low-carbon measuring equipment and technology encompasses sealed measuring instruments, closed operating systems, oil and gas recovery systems, and low-leakage breathing valves. These measures aim to minimize volatile losses during operations.

In order to avoid environmental pollution from chemical leaks, storage facilities and transportation equipment undergo regular maintenance and inspections. Safety and sealing of storage containers are checked to prevent unintended chemical leaks that may harm the environment. Additionally, advanced leakage detection systems and emergency response facilities are in place.

Utilizing logistics scheduling methods like "just-in-time" inventory and minimizing unnecessary transshipments and waiting times helps to indirectly mitigate the unplanned losses of chemicals during the transfer process.



Transparency and public oversight

Promote active fulfillment of social responsibilities by openly and transparently disclosing the inflow and outflow of chemical products, storage status, and emergency response plans to the community and regulatory authorities. Additionally, make the information about chemical products public to customers through the information system to enhance trust among relevant parties.

Create a system for quality control audits of inventory and perform regular audits of all storage areas to verify the accuracy and authenticity of chemical quantities. Any potential issues should be promptly identified and corrected.

■ Management of Quality

Implement a rigorous quality control system for chemical products, and strictly adhere to quality management standards from the point of origin to the delivery of goods by vehicle or ship. This will guarantee that the purity, stability, and performance of the chemical products remain uncompromised throughout the entire process.

Advanced testing methods are utilized to conduct regular quality testing and analysis in collaboration with an international inspection agency. Additionally, an internal laboratory has been established to perform quality tests on incoming and outgoing chemicals as a measure to prevent issues like contamination and deterioration.

To enhance the security of chemical storage and classification management, it is essential to prevent the interaction of different chemicals, thus safeguarding product quality and mitigating safety risks.

■ Management of Efficiency



Improving efficiency in loading and unloading processes while focusing on energy conservation and emission reduction

By continuously improving and optimizing automated loading and unloading equipment, such as fully automatic dispatch systems and ship loading automatic measurement systems, efficient vehicle and ship docking can be achieved. This leads to reduced operation time, improved efficiency of loading and unloading vehicles and ships, and simultaneous reduction of energy consumption and carbon emissions.

The systematic arrangement of the loading and unloading area, supplemented by IoT technology and intelligent customer service systems, has effectively optimized the work sequence and schedule. As a result, it has minimized the waiting time for vehicles and vessels, leading to decreased fuel consumption and reduced emissions from vehicle and vessel idle time.

Use port operation management tools to monitor vessel movements in real time, make advanced preparations for berthing, and reduce waiting time for vessels at anchorages. Enhance and optimize the cargo handling management process to facilitate efficient vessel operations, ultimately minimizing fuel consumption at the port and promoting energy savings and emissions reduction.

The company has implemented a collaborative coordination mechanism with the docks of nearby enterprises within its jurisdiction. This has enabled the rational allocation and efficient utilization of dock operation resources, leading to a significant improvement in the efficiency of ship handling per unit time.



Streamlining Process Reengineering and Improving Order Response Speed

Through a comprehensive review and refinement of business processes, the integration of one-stop electronic service has been implemented. This involves the use of efficient digital information systems such as smart customer service, self-service ordering, and self-service invoicing. As a result, real-time online order processing, goods tracking, and inventory management have been achieved, leading to a significant reduction in the turnaround time from order receipt to execution. This has contributed to an overall improvement in the efficiency of the supply chain.

By utilizing reservation systems and big data analysis, it is possible to predict patterns and make informed adjustments to personnel allocation and equipment utilization for the loading and unloading of vehicles. This approach helps to mitigate congestion during peak periods, minimize driver waiting times, boost turnover, enhance service quality, and aid businesses in achieving dual improvements in efficiency and social benefits. As a result, the average waiting time for tank trucks at the station can be significantly reduced.



Improving employee skills and enhancing work efficiency

By consistently increasing investment in employee skill training and career development, and by enhancing the recognition and training system for professional skill levels, we guarantee that employees acquire a proficient grasp of modern operational technology and equipment usage. This, in turn, boosts individual work efficiency and enhances the efficiency of loading and unloading operations.

By implementing humane work schedules, we can ensure the full protection of employees' physical and mental health through scientific scheduling and fatigue management mechanisms. This will also help to enhance overall service levels and improve efficiency.



Driving Key Performance Indicators and Achieving Continuous Improvement

Create a comprehensive assessment system for internal controls that incorporates crucial factors like vessel operation time and loading/unloading efficiency. Regularly analyze data, pinpoint bottleneck areas, and devise targeted solutions to establish a mechanism for continuous improvement and sustained efficiency enhancement.

To improve internal process standardization, it is essential to ensure that all employees are well-versed in efficient operational procedures, and to minimize unnecessary manual intervention. This can be achieved through enhancements to operation manuals, regular training, and other relevant methods, ultimately leading to smoother and more efficient ship and cargo handling operations.

Improving Customer Satisfaction

Customer Communication



Results of the Satisfaction Survey

During the reporting period, an online questionnaire survey was carried out to gain a more comprehensive understanding of customer satisfaction and needs. The survey aimed to identify key service points, as well as the areas in which customers are most and least satisfied. It covered four main service modules: tank storage customers, warehouse customers, the intelligent customer service (CA) system, and loading and unloading drivers.

A total of **698** valid questionnaires were obtained. **239** surveys were conducted for terminal storage tank customers, **43** surveys for chemical warehouse customers, **142** surveys for the intelligent customer service (CA) system, and **274** surveys for loading and unloading drivers. The overall rating for the terminal storage tank sector stands at **96.76**, reflecting a **0.34%** increase from 96.43 in 2022. The chemical industry sector achieved a coverall score of **97.52**, marking a **0.50%** increase from 97.03 in 2022.

Addressing Customer Complaints

System for Handling Customer Complaints

Customer Complaint Handling System in Place for

- classify customer complaints for management purposes;
- specify the procedures for handling, investigating, rectifying, determining responsibilities, providing incentives, and imposing penalties for customer complaints.

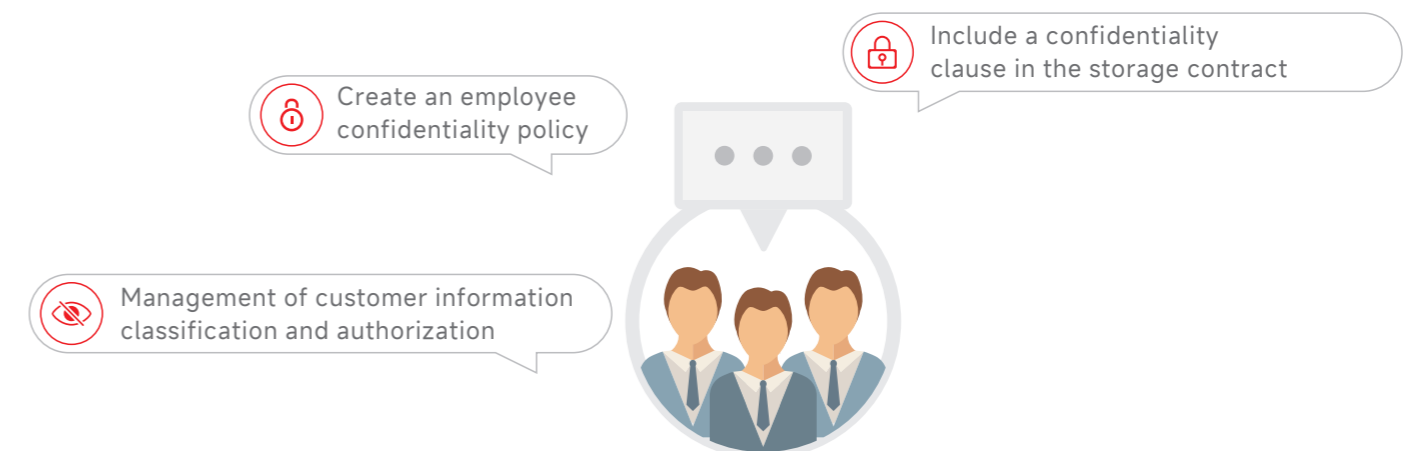
Performance in Handling Customer Complaints

Significant customer complaints reported in the year: 0	Customer complaints handling rate: 100%	Rectification rate for key improvement items in customer service: 100%

Strategies for Handling Customer Complaints

To address significant customer complaints, a "Customer Service Key Improvement Item Rectification Report" should be issued, followed by targeted improvements and rigorous supervision of their implementation.

Protecting Customer Privacy



The company actively protects customer privacy by implementing employee confidentiality policies, customer information tiered authorization management, and including confidentiality clauses in warehousing service contracts. During the reporting period, there was no incident of customer privacy breaches.

Specializing in Intelligent Storage and Transportation

Improving Innovation Management

The organizational structure of the IT and Automation Sub-Center is designed to foster cross-functional collaboration and accelerate the innovation process. It is composed of several key teams, including Research and Development (R&D), Product Design, User Experience (UX), Technical Support, and Quality Assurance. Each team has a clear set of responsibilities and objectives, led by a specialized R&D manager. The manager is responsible for driving project progress and ensuring alignment with the company's strategic development goals.

As of the end of the reporting period

the company had **233** R&D personnel, accounting for **13.45%** of the total workforce. The R&D investment amounted to **53.46** million yuan, representing **3.46%** of the operating revenue.

Innovation assessment and incentive mechanism:

Innovation projects are evaluated and classified based on internal and external information requirements. After implementation, performance incentives are given based on the evaluation rating and the actual impact. Evaluation and motivation can be divided into three categories:



Major Innovation

Involves the development of completely new technology or business models, which may have a significant impact on the long-term development of the company.

Significant Improvement

Significantly improve existing technology or processes to enhance efficiency or effectiveness, such as reducing manual operations through automation.

General Optimization

Regular system maintenance and minor improvements aimed at continuously improving operational efficiency and customer satisfaction.



Building a Digital Platform

Using a unified standard financial management system, the financial system is integrated with procurement and service order, ensuring traceability between front-end business operations to back-end finance

SAP Standard Governance Platform



Complete data visualization of personnel recruitment, onboarding, career counseling, promotions, training, assessment, growth trajectory, and salary

Human Resources Integrated Platform



Five major information platforms

to achieve unified, centralized, standardized management

OA Automatic Integrated Platform

Enable efficient approval management by integrating the data of finance, infrastructure projects, procurement, and personnel systems



Intelligent Customer Service Platform

Customer Service Platform:
Business Billing Management and Tracking.
Appointment Management Platform:
License Management and Appointment Billing.



Production and Operations Management Management and control platform



Safety Management Platform

Environmental Management Platform

Equipment Management Platform

Intelligent Control Platform for Chemical Warehouse

Intelligent Management Platform for Terminal Storage Tanks

This platform was launched and used in 2023

The platform will start research and development in 2023

SAP Standard Governance Platform

1

Using a unified standard financial management system, the financial system is integrated with procurement and service order, ensuring traceability between front-end business operations and back-end finance

Functional optimization and upgrades during the reporting period

- 📍 **Terminal Storage Tank Business Aspect**
- 📍 **Continuously Enhancing Customer Experience:** We have developed a bulk plan import feature and optimized the service processes for major clients. This has led to an improvement in customer satisfaction while also ensuring the efficiency and reliability of our services;
- 📍 **Technology Integration and Win-Win Cooperation:** By connecting with customer systems, we achieve effective integration of technology, enhancing information sharing and collaborative work with our partners;
- 📍 **Enhance Transparency and Compliance:** add features such as ship blacklist log to strengthen compliance and risk management.

Human Resources Integrated Platform

2

Complete data visualization of personnel recruitment, onboarding, career counseling, promotions, training, assessment, growth trajectory, and salary

Functional optimization and upgrades during the reporting period

- ✅ **Safety:** Increase firewall, security patches
- ✅ **Performance Optimization:** Update the server, add CPU and memory to solve the processing speed issue; Updating the job hierarchy and matching salary system.
- ✅ **Optimization of Salary Calculation Formula:** There were many loopholes in the initial implementation conditions and constraints. Over ten items in the formula have been optimized, focusing on the basic salary and unifying the formula for calculating the overtime base.
- ✅ **Attendance Optimization:** We have optimized the attendance calculation for newly acquired warehouse areas. This includes adjustments to report output and enhancements to attendance matching processes.

OA Automatic Integrated Platform

3

Enable efficient approval management by integrating the data of finance, infrastructure projects, procurement, and personnel systems

Functional optimization and upgrades during the reporting period

- ✅ **Form Style Optimization:** Unify the style of forms, ensuring consistent layout on both PC and mobile platforms, and achieving overall consistency in style.
- ✅ **Process/Form Field Naming Convention Optimization:** Due to the large number of processes, in order to avoid naming ambiguity, the naming convention needs to be optimized, with a requirement to add annotations for clarification.
- ✅ **Process Node Optimization:** The length of process nodes can affect the efficiency of the approval process. Streamline/optimize the approval steps.
- ✅ **Optimization of Process Chain Control:** In order to address approval risks and increase chain control requirements for associated business processes, such as adding pre-approval stages, etc.
- ✅ **Process Decision Analysis:** To provide business data support to approvers, incorporate approval decision analysis.

Intelligent Customer Service Platform

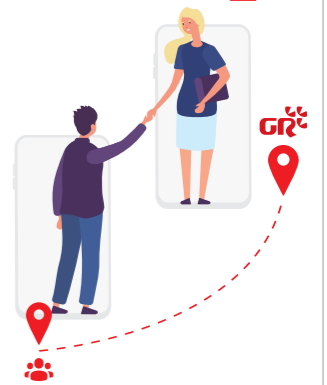
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Customer Service Platform

Business Billing Management and Tracking.

External Services: The shipper can timely and accurately query the inventory of goods and the liquid level of storage tanks, and have real-time grasp of inventory dynamics. When multiple shippers store goods in mixed tanks, they can monitor the dynamic changes in the transfer of ownership in real time.

Internal service: It can intelligently and real-time analyze the current physical utilization rate of storage tanks and the rental occupancy rate of business analysis, and dynamically analyze trends based on shipping schedule plans.



Appointment Management Platform

License Management and Appointment Billing.

Drivers can manage licenses and make appointment reservations through the mobile WeChat mini program. License Management: Drivers upload their driver's licenses, qualification certificates for their profession, identity cards, contact information, vehicle registration certificates, road transport permits, and tank inspection reports via their mobile phones. Relevant positions in the warehouse area verify the validity of these documents and approve them to take effect. Appointment and Billing: Drivers make an appointment and submit documents. The system will check the validity period of the licenses and the quantity of loaded goods. Only when the vehicle and driver licenses are valid, and the loaded quantity is within the safety load and safety volume range, can the work documents be generated.

Functional optimization and upgrades during the reporting period

- ✅ **Customer Service Volume Steadily Grows:** Through the login function of the intelligent customer service platform using U shield certificates, customers are able to independently enter input for inventory storage, outbound plans, and transfer orders. This significantly improves work efficiency and reduces unnecessary manual operations and communication costs. In 2023, the number of certificate users on the platform increased by **111%** compared to the previous year, the number of driver users increased by **47%** compared to the previous year, and the customer self-service document input volume increased by over **25%**.
- ✅ **Introduce Multiple Innovative Features:** Aims to enhance customer experience and operational efficiency, while responding to the requirements of environmental protection and social responsibility.
- ✅ **Operation Menu Bubble Reminder:** The bubbles in the vehicle, license, and delivery approval menus have been optimized to improve the business and customer operations in the warehouse area, enhancing transparency and convenience.
- ✅ **Upgrade of the fee collection method:** There are two ways to collect operation fees through WeChat payment. One is based on the estimated tonnage of loading and unloading, and the other is based on the actual weighing data. The system will control the documents that require payment through WeChat Pay during the self-service machine printing process. Users must make a prepayment using WeChat in order to print the receipt. In warehouse areas where operational fees are charged based on the actual weight recorded, any excess amount collected will be automatically refunded to the driver after the weighing process.
- ✅ **Application of Electronic Documents:** After the vehicle passes the weighbridge, an electronic receipt and electronic weighbridge ticket are automatically generated, which reduces the use of paper.
- ✅ **Electronic Signature:** The request-for-payment document is generated as a PDF with the company's electronic seal, CFCA (China Financial Certification Authority) electronic signature, and CFCA timestamp, which enhances data security and corporate governance, ensuring the authenticity and security of the transactions.

Production and Operations Management Management and control platform

5

Safety Management Platform

Functional optimization and upgrades during the reporting period

✔ "Five-in-One" Safety Production Information Management Platform

By adopting a five-in-one management approach, it achieves comprehensive on-site safety management and control. With the goal of achieving the digitization of comprehensive management in enterprise safety production, a safety production information management platform will be built that integrates a major hazard source monitoring and early warning system, enterprise safety risk zoning management system, on-duty personnel management system, and overall process management system for safety production. This platform will focus on risk-based control and hazard investigation and governance system, chemical process safety management, and standardized safety production.

✔ Safety Instrumented System

including emergency shutdown control system, interlock protection control system, fire and combustible gas alarm system.

✔ Flammable gas and toxic gas detection system

Monitor in real time the leaking points of flammable and toxic gases in key areas, and promptly sound an alarm and eliminate potential risks to ensure production safety.

✔ Fire Automation System

Including fire water pressure stabilization control, fire detection and alarm, one-key automatic foam and water spray system, etc.

Environmental Management Platform

Functional optimization and upgrades during the reporting period

Existing oil recovery, sewage treatment, and other equipment should be equipped with necessary sensing devices, transmitting devices, and executing devices to achieve remote data transmission, intelligent analysis and display, remote control, and other functions. Real-time collection of relevant environmental protection data through the Internet of Things and industrial Internet technology, actively pushing it to management personnel through threshold setting, effectively controlling risks.

Equipment Management Platform

Functional optimization and upgrades during the reporting period

Implementing intelligent management of equipment in various storage areas, establishing databases for equipment maintenance, spare parts management, and equipment updates, including dynamic equipment, static equipment, and asset management. On this basis, through the accumulation of big data, the equipment maintenance and repair inspection records are accumulated into big data to form equipment health cards. Through system modeling, a reasonable predictive equipment pre-failure maintenance plan is formed to improve equipment service life and effectively reduce the probability of production accidents.



Intelligent Control Platform for Chemical Warehouse 

✔ This platform was launched and used in 2023

Functional optimization and upgrades during the reporting period

By integrating information technology and automation, we can enhance the efficiency of comprehensive management and improve the quality of customer service.

✔ **Warehouse Efficiency Management:** Through automation technology and big data analysis, various aspects of the warehouse, including appointment scheduling, inbound and outbound operations, and inventory status, are monitored in real time. Intelligent scheduling is done based on inventory information and customer inventory demands to optimize storage locations and path planning, thereby reducing the number of cargo handling operations.

✔ **Fine-tuned Inventory Management:** Achieve warehouse roaming by embedding VR technology, providing intuitive control over storage locations and freight forwarders.

By seamlessly connecting with the SAP standard control platform for chemical warehouses, the related functions enable the analysis of historical data and forecasting of demand, allowing for the rational control of inventory levels. It automatically completes the inventory information statistics, warehouse leasing, operating expense settlement, and report generation tasks, reducing the need for human resources.

✔ **Ensuring Safety Management:** By incorporating technology such as the Internet of Things (IoT) and sensors, it is possible to monitor key parameters of the warehouse in real-time, such as temperature, humidity, gas concentration, and fan status. The Goods Distribution System (GDS) and fans are interconnected to ensure a safe environment for storage and operations, and to promptly alert and address any safety hazards in the warehouse, thus ensuring an overall level of safety management.

✔ **Optimizing Supply Chain Management:** By integrating with external systems such as Management and facilitating real-time information exchange with customers, timely adjustments and optimization of warehouse management can be achieved based on logistics plans. The platform will integrate the information of cargo owners, various internal operational processes of the warehouse, and the hazardous goods transportation supervision platform to achieve a one-stop seamless connection throughout the entire process.

✔ **Management of Decision Support:** By conducting in-depth analysis of data, it is possible to provide timely feedback on bottlenecks and issues in warehouse operations.

Intelligent Management Platform for Terminal Storage Tanks  

✔ The platform will start research and development in 2023

Functional optimization and upgrades during the reporting period

✔ With the help of digital twinning and Internet of Things technology, we focus on comprehensive management of warehouse production operations. This management approach combines automation and information, with a customer service orientation and safety operations as the foundation. It visualizes operations such as vehicle, vessel, pipeline transportation, and berthing, and connects them with on-site scheduling, operational capacity management, pipeline arrangement, flow and liquid level monitoring. It also integrates with DCS, GDS, and other control data to achieve a permeating management of operational processes.














✔ This platform complements the Safety Management platform and achieves management closed-loop.



■ Application of Safety Intelligent Operations

The company continuously collaborates with universities in the fields of automation and informatization, constantly deepening technological innovation in the warehousing industry, and providing technological support for the improvement of safety and service efficiency. On the basis of the previous safety applications, we will expand technological cooperation with universities on the "Intelligent Control of the Entire Process of Unloading in Chemical Storage Areas". This will further enhance safety management and operational efficiency.

Intelligent management and control of the entire unloading process in the storage area


-  **Real-time Volume + Planned Unloading Volume:** When downloading business to the batch controller by scanning the QR code and during the unloading process, it is determined in real-time whether the sum of the volume and the planned unloading volume is greater than the safety tank capacity.
-  **Key Management System:** Inserting the car key into the key management system is a prerequisite for starting or removing the vehicle. During the unloading process, the door lock of the key management system is closed. The door can only be opened to access the keys by pressing the emergency stop button to pause the unloading or when the unloading is complete and the crane boom is in position.
-  **Human Body Static Discharge Device:** Only when the status of the human body static discharge device of the safety interlock integrated machine is displayed as "Released", can unloading be initiated.
-  **Vehicle Body Static Grounding Clamp:** Only when the vehicle body static grounding clamp is connected to the vehicle body and the connection is reliable, and the grounding resistance meets the requirements, can the unloading be started. During the unloading process, if the clamp falls off or the grounding resistance exceeds the requirement, stop unloading immediately.
-  **Wheel Chock Return Controller:** During the preparation for unloading, remove the wheel chocks and place them beneath the wheels. Unloading can only be initiated when the detection is confirmed. During the unloading process, immediately stop unloading by removing the wheel chocks. After the unloading is completed, the wheel chocks must be returned to their original position before the driver can remove the vehicle key.
-  **Crane Pipe Connection Detector:** The unloading process can only be started after the crane pipe connection detector is installed and in position. If the detector alarms during the unloading process, immediately stop the unloading.
-  **Crane Management Position Detector:** When unloading is completed or temporarily paused, the door of the key management system can only be opened after the crane management position signal is detected.
-  **Flammable Gas Concentration Detector:** If the concentration of flammable gas is higher than the allowable limit, it is prohibited to start unloading; during the unloading process, if the concentration exceeds the allowable limit, it will automatically stop unloading.
-  **Emergency Stop Button:** During the unloading process, pressing the emergency stop button can immediately halt the unloading (the system will save the record of the emergency stop time).
-  **Real-time Density:** During the unloading process, the real-time density detected by the mass flow meter exceeds the allowable deviation range from the normal density of the material. The unloading process is immediately stopped, an alarm is triggered, and a voice prompt is recorded, requiring the operator to confirm if the material is abnormal.
-  **Real-time Radar Liquid Level:** The real-time liquid level of the radar level gauge in the unloading storage tank, if it exceeds the safety high limit during the unloading process, immediately stop the unloading.
-  **Differential Pressure Across the Pump:** Based on the results of the commissioning, a logic has been established that links the differential pressure to the interlocking of abnormal conditions. In the event of an abnormal pressure differential, the unloading process will be halted.
-  **Unloading Pump:** When starting unloading, the unloading pump is automatically interlocked to open. When there is an abnormal or normal stop of unloading, the interlock automatically closes the unloading pump.

Protecting of Intellectual Property

■ Intellectual Property Management Mechanism

In order to strengthen the protection of the company's intellectual property, standardize the management of intellectual property, encourage the enthusiasm of employees for invention and creation, and promote the application of scientific and technological achievements, in accordance with the relevant national laws and regulations, the company has formulated and issued a management system document titled 'Intellectual Property Management Regulations'. The intellectual property management of the company and its subsidiaries shall be carried out in accordance with this system.

■ Intellectual Property Achievement



As of the end of the reporting period, the company and its subsidiary holdings have a total of **130** patents, **25** software copyrights, and **8** trademarks.

ENVIRONMENT

■ Responding to Climate Change

Risks and Opportunities of Climate Change
Greenhouse Gas Emission Management

■ Improving Environmental Management

Environmental Management System
Energy Consumption and Management
Water Resource Management
Emission Management
Waste Management
Ecological Protection and Land Management

■ Developing Green Storage and Transportation

Green Technology Innovation
Environment-friendly Process Upgrades
Expanding Environmental Protection Business

■ Environmental Protection Concepts and Practice

Environmental Protection Public Welfare Activities
Environmental Protection Education and Promotion



Responding to Climate Change

In recent years, climate issues have rapidly risen to become a globally prominent topic, and the importance of conducting risk analysis and prevention and control related to climate and environmental risks is increasingly prominent. Both gradual climate change and sudden natural disasters pose risks to the company's development. The company has integrated climate change into its risk management system, ensuring that it identifies and manages climate-related risks to guarantee that they are controllable.

Risks and Opportunities of Climate Change

In terms of transition risks, the company is guided by President Xi Jinping's ecological civilization thought in terms of transition and risk management and takes the "peak carbon emissions and carbon neutrality" target as its guide. It continues to focus on national policies related to carbon emission reduction and carbon trading, promotes the establishment of a dual-carbon emission reduction management system, actively engages in research and development work related to green technology, and closely monitors changes in customer demand. It aims to pursue green development and low-carbon solutions for the entire industry chain.

In terms of the physical risks, Great River Smarter has established internal systems such as the "Guangdong Great River Emergency Weather Disaster Emergency Work Guidelines" in accordance with the "Emergency Response Law of the People's Republic of China," "Meteorology Law of the People's Republic of China," "Regulations on the Prevention and Control of Meteorological Disasters," and relevant specifications. They have also formed an emergency leadership group for sudden weather disasters, strengthened safety management and emergency prevention of typhoons, heavy rain, fog, cold waves, high temperatures, and other sudden weather incidents. This has effectively ensured the scientific, powerful, orderly, and efficient implementation of meteorological disaster emergency work, as well as as maximized the prevention and reduction of casualties and property losses.



List of Climate Change Risks and Opportunities

Risk of Transition

Type of Risk	Description of Risk	Measures	Affected Period
Policy and Legal Risks	Since 2020, China has officially introduced the "dual-carbon goal" of reaching peak carbon emissions and achieving carbon neutrality. In response, both national and local governments have implemented a series of laws and regulations aimed at promoting green and low-carbon initiatives to address climate change. This has led to an increase in compliance requirements for Guangdong Great River, potentially raising the risk of litigation or claims.	The company is committed to focusing on the dual-carbon working policy to enhance energy utilization efficiency, optimize the energy structure, and drive comprehensive green transition in economic and social development. In reaction to the stricter enforcement of environmental regulations, the company is modifying its production methods and technological equipment. It is also enhancing its comprehension of the regulations, establishing a robust compliance system, and ensuring that the company's operations align with legal requirements.	Medium and Long Term
	The industry is clarifying the requirements for dual-carbon, and there is increasing policy pressure to reduce greenhouse gas emissions.	The company plans to expand its investment in emission reduction measures and focus on developing the carbon market. It aims to strengthen cooperation with the government, industry associations, and research institutions to explore emission reduction pathways and technological innovation. Additionally, it will enhance the monitoring and evaluation of the external environment and adjust emission reduction strategies promptly to adapt to policy changes.	Medium and Long Term
	Carbon emissions rights control and regulatory mechanisms are being implemented worldwide, potentially resulting in higher operational and financial expenses for businesses.	The company plans to respond to pertinent changes through the creation of comprehensive carbon emission management strategies, streamlining production processes, engaging in carbon market trading, advocating for clean energy, improving monitoring and reporting, and increasing employee awareness. This will ensure the sustainable development of the business.	Short-term, Medium-term, and Long-term
Technical Risks	The lack of investment in research and development and the adoption of energy-saving and environmentally friendly technologies, as well as the failure to identify and utilize these technologies in a timely manner, has led to a delay in the low-carbon transition compared to industry peers.	The company has set up a Technology Innovation Office to actively conduct research and development on green technologies, including environmental protection, emission reduction processes, and environmental management monitoring systems. The company plans to carry out extensive market research and technical evaluation prior to investing in Environmental Protection Technology. This will ensure the feasibility and return on investment, and drive the transition towards green production and business operations.	Medium and Long Term
Market Risk	As the market becomes more aware of climate change, not promptly assessing customer needs and energy cost changes may result in customer loss or increased financial costs for the company.	As a company specializing in logistics and warehousing, the primary market risks arise from increasing energy costs and shifts in customer demand. The company actively manages potential market risks by optimizing its energy structure, implementing energy consumption management, establishing Environmental Management systems, and actively engaging in environmental protection activities while promoting the development of green supply chains.	Medium and Long Term
Reputation Risk	Companies and suppliers could potentially harm the climate and the environment through their production and operational activities, ultimately resulting in reputation damage and reduced investment willingness from stakeholders.	The company has consistently strived to be a benchmark enterprise in the industry. To address the climate and environmental impacts encountered during production and operation, it remains committed to enhancing environmental management and oversight, improving energy efficiency, reducing emissions, implementing green supply chain management, establishing an environmental information disclosure mechanism, regularly releasing corporate social responsibility reports, creating emergency plans, and obtaining third-party certifications to uphold the company's reputation and boost investment confidence of stakeholders.	Short-term, medium-term, and long-term

Physical Risk

Type of Risk	Description of Risk	Measures	Affected Period
Acute Risk Extreme weather such as typhoons, heavy rain, and floods	Extreme weather has the potential to cause harm to storage areas, office buildings, and equipment, leading to losses in assets.	The company has implemented internal systems, such as the "Emergency Work Guidelines for Sudden Weather Disasters," and has established an emergency leadership team for sudden weather disasters. It has also enhanced safety management and emergency prevention for sudden weather disasters, ensuring a scientific, powerful, orderly, and effective response to meteorological disasters. This has helped to safeguard the company's equipment, facilities, and personnel, and to mitigate casualties and property losses caused by meteorological disasters.	Short-term, Medium-term, and Long-term
	Extreme weather can lead to damage to equipment, hindering employees' ability to work effectively, and disrupting transportation, all of which can impact the company's regular operations and production.	Adhering to the "people-oriented" principle and ensuring the implementation of the "evacuation when necessary" policy are crucial in emergency rescue work to guarantee the safety of personnel. Develop an emergency management plan for extreme weather, classify and control risks, and have the emergency management team take corresponding response measures according to different risk levels based on the management procedures.	Short-term, Medium-term, and Long-term
	The persistent high temperatures have resulted in the malfunction of power facilities and equipment, heightened the risk of accidents, and have impacted production efficiency and safety protocols.	The company has adjusted the continuous operation time based on the operational conditions. Vehicles entering the warehouse must undergo a water cooling process before commencing operations. Similarly, ships at the dock need to have their decks sprayed with water for cooling before operation. If a ship is unable to leave the berth for any reason after ceasing operation, the shipowner is obligated to continue applying water spray cooling measures. During high temperature weather, continuous monitoring of the temperature of materials in storage tanks is necessary, and cooling measures must be taken as needed. Furthermore, there is a need to intensify temperature monitoring of special chemical materials in storage tanks, pipelines, and warehouses to prevent material deterioration caused by excessive heat. Daily monitoring of the radar liquid level values in the storage tanks is required. The management of pressure relief for pipelines needs to be strengthened. Parking management for vehicles operating outside the warehouse should be enhanced, with special personnel assigned to inspect and apply water sprinkling measures for cooling when necessary.	Short-term, Medium-term, and Long-term
Chronic Risk Persistent high temperatures, drought, etc	High temperatures can have a negative impact on the physical health of employees, making it challenging to work outdoors for long periods. This can ultimately affect operational efficiency.	The company conducts occupational health assessments for employees prior to the summer season and creates health management records for them. It arranges specific safety training for high-temperature work, enhancing awareness of safety in hot conditions. Additionally, the company provides essential protective and health products, including sun umbrellas, towels, sun hats, cold beverages, and heatstroke first aid kits. Furthermore, it implements emergency protocols for high temperatures, ensuring that immediate first aid is provided and individuals affected by heat stroke are promptly transported to a medical facility.	Short-term, Medium-term, and Long-term

Opportunities

Type of Risk	Description of Risk	Measures	Affected Period
Resource Efficiency	Develop or utilize more energy-efficient equipment and technology.	Great River Smarter fully recognizes the significance of researching and utilizing more energy-efficient equipment and technology for enterprises to enhance energy utilization efficiency, decrease production costs, and mitigate environmental pollution. The company implements measures such as technological innovation, optimization of production processes, establishment of energy management systems, and consideration of policy support and subsidies to enhance resource utilization efficiency in the area.	Medium and Long Term
Products and Services	R&D and application of green low-carbon products.	The company continues to focus on the application of green and low-carbon products. Strengthen supply chain management from multiple aspects, promote and advertise green and low-carbon products, establish collaborative relationships with other organizations to achieve green and low-carbon development goals.	Medium and Long Term
Market	Development of green energy business.	The company focuses on national policies and implementation plans to promote the development of green energy. It is increasing its efforts to develop a customer base for green energy-related oil and chemical products, which is creating new development opportunities for the company.	Medium and Long Term
Adaptability	Utilize renewable energy and implement plans for energy substitution and diversification.	Great River Smarter has been exploring the use of renewable energy, as well as implementing energy substitution and diversification programs to reduce reliance on traditional fossil fuels, lower carbon emissions, and cope with energy price fluctuations.	Medium and Long Term



Greenhouse Gas Emission Management

The company conducts in-depth analysis of domestic and international standards, regulatory requirements, and advanced practices, and based on the actuals, it formulates greenhouse gas management plans to continuously improve greenhouse gas emissions management. The company primarily emits greenhouse gases such as CO₂, CH₄, and N₂O. Direct energy sources predominantly consist of gasoline, diesel, and natural gas, while indirect energy sources mainly involve purchased electricity and steam.

The company is systematically carrying out carbon footprint evaluations across the organization and its affiliated companies, in accordance with the "ISO14064-1:2018 Specification and guidance for the quantification and reporting of greenhouse gas emissions and removals at the organizational level" and the "Greenhouse Gas Accounting System." This allows the company to effectively gauge, document, and validate its carbon emissions through MRV (Measure, Report, Verify). Concurrently, the company is diligently seeking zero-carbon factory certification for its subsidiaries. During the reporting period, the company formulated a management strategy for controlling greenhouse gas emissions. Subsidiaries enlisted a third-party to carry out assessments, audits, and certification procedures, demonstrating proactive efforts towards establishing a zero-carbon factory.

Management of Greenhouse Gas Emissions



Set goals and commitments

We will set clear greenhouse gas reduction targets and commitments in line with the actual operation of Great River Smarter to ensure that it can continually reduce its greenhouse gas emissions in future development.



Develop a plan for managing emissions

Create a thorough greenhouse gas emission management plan that involves identifying emission sources, establishing monitoring and reporting systems, and implementing measures to reduce emissions.



Establish monitoring and reporting system

Establish an effective system for monitoring and reporting greenhouse gas emissions, in order to grasp the emissions situation of Guangdong Great River Smarter Logistics Co., Ltd. in real time, and report to relevant institutions and stakeholders in a timely manner.



Implementation of emission reduction measures

According to the emission management plan, effective emission reduction measures will be taken, such as improving energy efficiency, optimizing production processes, and adopting low-carbon technologies.



Strengthening employee training and raising awareness

Enhance employees' training on greenhouse gas emissions management, raise their environmental protection awareness and participation, and create a good atmosphere of full participation.



Seek external cooperation and support

Company actively seek external cooperation and support, such as cooperation with scientific research institutions, environmental organizations, etc., to jointly carry out research on greenhouse gas emission reduction and explore new emission reduction technologies.



Regular evaluation and adjustment

Regularly evaluate its greenhouse gas emission management, promptly identify issues and take corresponding measures to make adjustments, to ensure that company can continuously and effectively reduce its greenhouse gas emissions.



From August to October 2023, the cumulative CO₂e emissions of Weifang Great River reached **1,613.92** tons



Offsetting the remaining **1,613.92** tons of CO₂e emissions during the commitment period by using qualified carbon credits to compensate for the residual greenhouse gas emissions.



Acquiring carbon emission quotas through a market-based approach is necessary to meet the requirements for carbon reduction offsets.



Improving Environment Management

The company strictly complies with national environmental protection laws, regulations, and relevant policies, as well as adheres to local environmental standards established by the environmental protection department. It implements the principles of "Safety, Environmental Protection, and Health" and establishes an environmental management system in accordance with the "GB/T24001-2016 Environmental Management System Requirements and Guidance for Use" to provide a structured operation mechanism for the company's environmental management.

Environmental Management System

■ Environmental Protection System Construction

Great River Smarter, a hazardous chemical storage company, prioritizes safety and environmental protection as crucial to its development. It proactively advocates for the implementation of various safety and environmental protection measures, aiming to expedite the establishment of an HES benchmark for the entire company. Additionally, it has formed an efficient and unique safety and environmental health management organization with a three-tiered management system.

Level 1: Health, Safety and Environment and Innovation Committee (HSE & Innovation Committee)

The Board of Directors is a dedicated operational unit formed in accordance with the company's articles of association. It serves as the central decision-making authority for safety, environmental protection, and health management. The board is tasked with developing the company's medium-to-long-term environmental protection plans, providing guidance, oversight, and assessment of related initiatives.

Level 2: Health, Safety, and Environment Management Office (HSE Office)

Based on the company's existing organizational structure and the requirement to comprehensively enhance HSE and Innovation work, integrate internal resources to form a highly professional and efficient team, with a dedicated environmental management staff.

Level 3: HSE Full-time Management Organization

Each warehouse area is equipped with a dedicated Environmental Protection and HSE full-time management team, along with specialized environmental personnel, to ensure the efficient execution of HSE management tasks.

■ Environmental Management System

The company has implemented internal systems such as the "Environmental Protection Monitoring Management System," the "Emergency Management System for Environmental Incidents," and the "Environmental Information Disclosure Management System" in compliance with regulations such as the "Environmental Protection Law of the People's Republic of China," the "Environmental Impact Assessment Law of the People's Republic of China," and the "Regulations on Environmental Protection Management of Construction Projects." Adhering to the principles of "reduction, harmlessness, and resource utilization," the company actively engages in industrial wastewater treatment and reuse, cascading energy utilization, and comprehensive solid waste utilization. Furthermore, it integrates the comprehensive utilization of waste (resources) as an assessment requirement at all levels of the enterprise, demonstrating its dedication to reducing energy and resource consumption from the source and minimizing waste generation.

By the end of the reporting period, the company had arranged 13 subsidiaries to carry out self-inspections four times, using standard checklists including "24 Common Violations Determination Checklist in Environmental Management and Law Enforcement Process" and "Checklist of Examination Items and Violation Determination for Pollutant Discharge Permits." All environmental monitoring indicators were in compliance with the standards.

■ Environmental Protection Emergency Warning Mechanism

Great River Smarter has implemented the "Emergency Response and Management Procedures," "Accident Investigation and Management Procedures," and the "Great River Smarter Emergency Management System" to prevent and minimize sudden environmental events, manage and address the associated hazards, enhance the overall response capacity, and safeguard the safety of enterprise operations and employees' well-being. This initiative aims to reduce the impact of sudden environmental events on the company and society, and to foster the comprehensive, coordinated, and sustainable development of the company. Simultaneously, the company has developed the 2023 Environmental Emergency Response Drill Plan, with the goal of improving employees' emergency response capabilities and reinforcing their self-safety awareness through a range of environmental accident emergency rescue drills.

During the reporting period



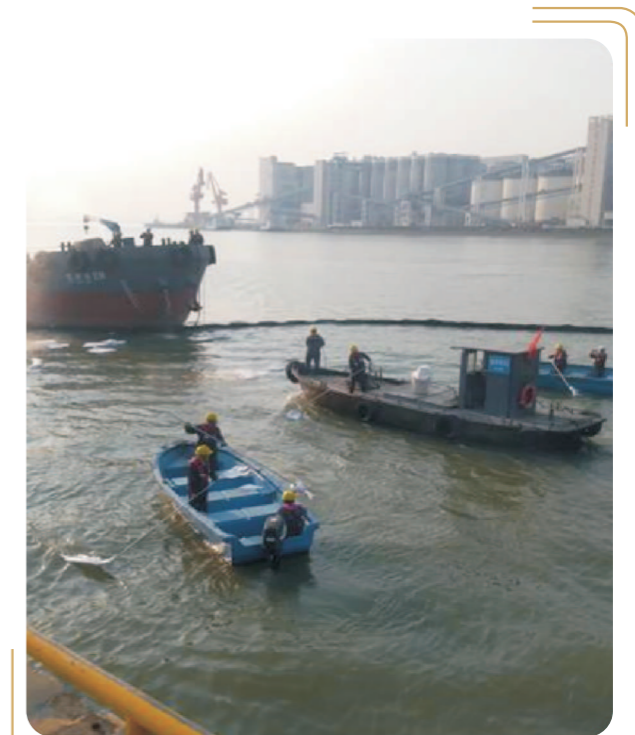
The company conducted a total of **37** emergency drills for environmental accident contingency plans. Meanwhile, in collaboration with various regional fire rescue brigades, harbor service companies, etc., joint emergency drills on different themes were carried out.



There have been **0** major environmental incidents reported throughout the year.



No significant administrative penalties or criminal liabilities were imposed by the relevant ecological and environmental authorities for environmental incidents during the period.





Emergency drill for sudden environmental incidents at the Lisha island base terminal

■ Environmental Protection System Certification

Over the years, the company has implemented a robust environmental management system and has consistently advanced the completion of environmental management system certification across various business sectors. Moreover, it has actively pursued clean production initiatives and undertaken the development of green port infrastructure. As of the end of the reporting period, all subsidiary companies under the storage tank storage sector of the company have passed the ISO14001 environmental management system certification. In October 2024, Changshu Great Smart Petrochemical Terminal and Cangzhou Great River Warehousing & Logistics plan to proceed with the necessary certification procedures.

As of the end of the reporting period:

-  **3** companies have been identified through green port audit evaluations
-  **4** companies have been certified through clean production enterprise audits



Names of enterprises certified for environmental management system, clean production audit, and green port rating



ISO14001 Environmental Management System Certification

- ✓ Lishadao Base
- ✓ Nantong Power Shell Petrochemical
- ✓ Fujian Gangfeng Energy
- ✓ Changzhou Great River
- ✓ Zhongshan Hongchuan
- ✓ Nanjing Great River
- ✓ Taicang Power Shell Petrochemical
- ✓ Nantong Great Smart, Nantong Yilian
- ✓ Changshu Base



Clean Production Auditing

- ✓ Dongguan Evergrowing Terminal
- ✓ Dongguan Hongchuan
- ✓ Nantong Power Shell Petrochemical
- ✓ Changshu Great River



Green Port Certification (3-star level)

- ✓ Changzhou Great River
- ✓ Nantong Power Shell Petrochemical
- ✓ Nantong Great Smart

Energy Consumption and Management

The company has developed the "Energy Conservation and Emission Reduction Management Measures" in compliance with the "People's Republic of China Cleaner Production Promotion Law". It has been consistently conducting energy management activities such as energy consumption assessment, exchange meetings for energy consumption analysis, procurement, and enhanced daily management to actively reduce energy consumption.

The company has set up a team to assess energy consumption, which is led by the Safety and Environmental Protection Office. The aim is to enhance the refined management of energy consumption, improve the analysis and evaluation methods, and continually evaluate the company's energy-saving potential. Regular assessments are conducted in the company's different storage areas, and a monthly report and ranking are issued based on the assessment results. Rewards and penalties are implemented according to the management guidelines. Simultaneously, the company actively integrates the concept of environmental protection into daily operations, regularly conducts training on energy conservation and consumption reduction, promotes low-carbon behaviors among employees, advocates for shared office space and normalized remote work, actively organizes online meetings, and minimizes unnecessary business travel. These efforts contribute to energy conservation and emission reduction, aiming to collectively establish a green office environment and cultivate a resource and energy-saving enterprise.

During the reporting period, The company consumed:



36.397 million kilowatt-hours of electricity, decreased by **1%** year-on-year



511,000 tons of tap water was consumed decreased by **13%** year-on-year.



12,000 tons of nitrogen were recorded, marking a **12.5%** decrease year-on-year (liquid nitrogen gasification rate is 1:800)



Steam production decreased by **4%** year-on-year compared to the previous year, reaching **50,000** tons.

(Note: The above data does not include Nantong Great Smart Warehousing)






Increased **198** measurement sites. In order to enhance the precise management of energy consumption, it is important to maintain a daily awareness of energy usage patterns and promptly address any irregularities.



Water Resource Management



The company strictly abides by the "Water Law of the People's Republic of China" in managing water resource usage. It enhances the supervision of water use processes and regularly assesses water conservation in the company's reservoir areas. Additionally, the company applies advanced technologies for water conservation and wastewater reuse to consistently minimize the use of fresh water. Great River Smarter strictly adheres to the "PRC Water Pollution Prevention and Control Law," "Regulations on Urban Drainage and Sewage Treatment," and "Comprehensive Discharge Standards for Wastewater" (GB8979-1996), as well as other relevant regulations. It has also implemented internal systems, such as the "Wastewater Treatment Management System of Great River Smarter," to standardize and institutionalize the management of wastewater treatment, thereby ensuring the proper and regulated handling of wastewater. The company is continually exploring and optimizing sewage treatment processes to reduce the volume of wastewater produced, enhance the efficiency of sewage stations, improve the quality of treated water, and promote the reuse of reclaimed water. We utilize a sewage treatment system to gather and process wastewater from the company's residential and industrial areas, and release it to the centralized sewage treatment plant in accordance with regulations. Simultaneously, it manages the reception and disposal of chemical wash water and oily wastewater from river vessels at the ship pollution wash station.

During the reporting period

-  The consumption of tap water decreased by **13%** compared to the previous year, to a total of **511,000** tons.
-  The sewage treatment plant processed **98,136** tons of discharged wastewater
-  **23,258** tons of reclaimed water reused

(Note: The above data does not include Nantong Great Smart Warehousing)

As of the end of the reporting period

-  **10** sets of sewage treatment systems
 -  **2** sets of ship pollutant cleaning stations
- All sewage treatment facilities are operating well





Emission Management


Great River Smarter strictly abides by the "Comprehensive Emission Standards for Air Pollutants," "Atmospheric Pollutant Emission Standards for Oil Storage Tanks," "Control Standards for Non-organized Emissions of Volatile Organic Compounds," and other regulations. Additionally, it has established internal systems such as "VOCs Governance System of Great River Smarter," "Environmental Protection Monitoring Management System of Great River Smarter," "Oil and Gas Recovery Equipment Management System of Great River Smarter," and "VOCs Control Management Regulations for Loading and Unloading Vehicles of Great River Smarter" to effectively manage and control exhaust gas emissions.

Installing automated monitoring stations to track air quality and odors in the vicinity of the factory, and monitoring PM2.5, PM10, nitrogen oxides, and VOCs. This will enhance environmental management in the vicinity of the company, enabling around-the-clock monitoring of atmospheric conditions around the factory perimeter. This will lead to more accurate and efficient pollution prevention and control measures. The Great River Smarter is actively researching advanced technology to reduce volatile organic compound (VOC) emissions at the source. Along with conducting LDAR work on schedule for waste gas, it utilizes digital modeling methods to track VOC sources by considering factors such as annual turnover of oil products, storage tank structure, oil product loading and unloading processes, and the current status of waste gas collection and management. This effort aims to discover new technologies for oil and gas recovery as well as waste gas treatment in order to meet VOC emission reduction targets.

During the reporting period

-  The company has achieved a **100%** comprehensive compliance rate for waste gas treatment, meeting the allowable emission limits for pollutants in all storage areas.
-  The company is persistently conducting LDAR and environmental protection emission reduction efforts, resulting in a total reduction of **464.24** tons of VOCs emissions.

(Note: The above data does not include Nantong Great Smart Warehousing)

-  There were **no** instances of major administrative penalties or criminal investigations related to pollutant emissions throughout the year.




Waste Management

The company places great emphasis on preventing and controlling solid waste, particularly hazardous waste pollution. It strictly complies with the "Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution," the "General Industrial Solid Waste Storage and Landfill Pollution Control Standards," the "Pollution Control Standards for Hazardous Waste Storage," and other related laws and regulations. Additionally, the company has established eight internal systems, including the "Guidelines for the Standardized Management of Solid Waste" and the "General Management Measures for Solid Waste." These systems are tailored to the specific characteristics of the petrochemical storage industry, allowing for differentiated management of general industrial solid waste and hazardous waste.

The company has implemented a robust management system for general industrial solid waste. It utilizes solid waste treatment facilities to conduct safe disposal of irrecoverable waste while optimizing the process to reduce the generation of solid waste based on ledger analysis of the main sources of solid waste. In order to address the issue of hazardous waste, the company has set up a "hazardous waste storage warehouse" in compliance with pertinent regulations. This involves clearly delineating the department and individuals responsible for hazardous waste management, establishing disposal objectives, and creating a comprehensive list of hazardous waste sources and disposal records. Furthermore, the company regularly reports the quantity and categories of hazardous waste each year, and delegates the management of hazardous waste to a qualified third party.

During the reporting period

-  Solid waste disposal compliance rate of **100%**.
-  In accordance with relevant regulations, a total of **536.84** tons of hazardous waste were transferred to qualified hazardous waste receiving units in 2023.

(Note: The above data does not include Nantong Great Smart Warehousing)

-  Proper disposal rate of hazardous waste is **100%**



Ecological Protection and Land Management

The company proactively fulfills its responsibility to safeguard the ecological environment by implementing a range of environmental protection measures aimed at minimizing the impact of its operations on the natural environment and biodiversity. It endeavors to attain a harmonious coexistence between human activities and the ecological environment, thereby contributing to the creation of a beautiful and sustainable habitat.

The company rigorously complies with laws and regulations, including the "Water Law of the People's Republic of China," the "Flood Control Law of the People's Republic of China," and the "Yangtze River Protection Law of the People's Republic of China." Furthermore, it actively engages in shoreline ecological governance and protection efforts. Environmental indicator monitoring equipment is installed in the dock area for trial, regular assessment of environmental risks is conducted, and dynamic changes in environmental conditions are timely understood; shoreline sewage treatment and discharge control are strengthened, sewage within the dock is collected and treated to ensure compliance with national emission standards. Simultaneously, the company places high priority on safeguarding land resources, strictly adheres to the regulations specified in the "Law of the People's Republic of China on the Prevention and Control of Soil Pollution" and the "Technical Specifications for Soil Environmental Monitoring", and responsibly optimizes the use of land resources. It also carries out soil monitoring for its affiliated subsidiaries in accordance with the applicable criteria.

During the reporting period

The company conducts soil monitoring **4** times a year in compliance with legal requirements.

All monitoring factors meet the qualifications.



Developing Green Storage and Transportation

The company is actively investigating the development of a green storage and transportation system in response to the "dual carbon" goal. This effort encompasses advancements in energy-saving and emission reduction technology research, optimization of storage and transportation processes, as well as the exploration of intelligent management. The aim is to gradually establish a comprehensive green storage and transportation system, with the goal of building an environmentally friendly petrochemical storage and transportation enterprise. This initiative is focused on achieving environmental protection, high efficiency, and sustainable development in the storage and transportation process, thereby actively contributing to the promotion of green development across the entire industry.

Green Technology Innovation

Amid the growing severity of global climate change and environmental issues, the reduction of pollution and carbon emissions has emerged as a shared objective for governments and companies worldwide. The advancement and implementation of technology have offered robust support in pursuing this goal within the environmental sphere. Under the guidance and support of the Board of Directors' HSE and Innovation Committee, the company's Technology Innovation Office is actively engaged in research and development related to green technology.

The company implements effective methods to reduce environmental pollution including waste water and waste gas treatment processes, with a focus on reducing pollutant emissions at the source. Additionally, the company has developed an environmental management monitoring system to ensure continuous environmental management throughout the entire process. Research efforts are also directed towards waste gas recovery systems and methods to address industry challenges. Moreover, the company is dedicated to promoting environmentally friendly storage and transportation processes for products.

During the reporting period, the company made innovations in green storage and transportation technology with the following achievements:

- reduce the emission of VOCs by approximately **135.87** tons
- approximately **18.74** tons of COD emissions are to be reduced
- reduce ammonia nitrogen emissions by approximately **0.98** tons
- reduction in suspended particles amounts to approximately **6.87** tons

(Note: The above data does not include Nantong Great Smart Warehousing)

The majority of emissions are reduced by more than **90%**, and some emission indicators even fall below national and local emission standards by **60%** or more

As of the end of the reporting period, the company has **24** environmental patents.

- 4** invention patents,
- 20** utility model patents,
- 1** software copyright

all above mentioned patents strive to promote company business development, helping enterprises reduce pollution, lower carbon emissions, and increase efficiency



Green Environmental Protection Invention Certificate

Green Environmental Protection Related Patents

Name of Patent	Name of Subsidiary	Type
Petrochemical Wastewater Treatment Method	Taicang Power Shell Petrochemical	Invention
A Precision Docking Device for Oil and Gas Pipelines	Changshu Great Smart	Invention
A Temperature Sensor Component, Incineration System, and Waste Gas Treatment Method	Changzhou Great River	Invention
Dry and wet gas transmission system, VOCs waste gas recovery system, and recovery method		Invention
A oil depot crane pipe leakage recovery device		Utility Model
An anti-pollution shed for oil depot sewage station		Utility Model
A conveniently positioned leak alarm device for chemical tanks	Dongguan Evergrowing Terminal	Utility Model
Exhaust gas treatment device for platform		Utility Model
Chemical wastewater treatment device		Utility Model
Mobile exhaust gas disposal device		Utility Model
Exhaust gas treatment device for chemical storage	Dongguan Great River Petrochemical Terminal	Utility Model
An integrated treatment device for ship ballast water	Taicang Power Shell Petrochemical	Utility Model
Liquid and solid waste pressing device and system		Utility Model
An intelligent meter reading management system with lighting function		Utility Model
An angle-adjustable wastewater monitoring system for chemical products	Nantong Power Shell Petrochemical	Utility Model
Chemical Wastewater Cleaning Device		Utility Model
Oil recovery control device		Utility Model
Oil and gas monitoring device for ship ballast water recycling		Utility Model
A storage device for leak-proof liquid petrochemical products	Zhongshan Hongchuan	Utility Model
A gas recovery treatment device for petrochemical products		Utility Model
A gas-liquid separator for VOCs waste gas treatment system		Utility Model
A spraying Device for VOCs Waste Gas Treatment System	Changzhou Great River	Utility Model
A spray device for petrochemical storage area exhaust treatment		Utility Model
An anti-volatilization system for petrochemical tanks		Utility Model

Environment-friendly Process Upgrades

The company has consistently upheld the principles of safety and sustainable development, continuously advancing eco-friendly initiatives, and steadily increasing investments in upgrading and refurbishing environmental protection equipment and facilities. It actively executes environmental enhancement projects for equipment related to Volatile Organic Compounds (VOCs), including efficient valve conversions, floating disk upgrades for storage tanks, and oil and gas recovery improvements. It aims to establish itself as a benchmark enterprise in environmental protection, striving to achieve a harmonious balance between economic prosperity and environmental conservation.

■ Carry Out Efficient Breathing Valve Refurbishment

In 2023, the Changzhou Great River Petrochemical Terminal Company plans to enhance the sealing performance of storage tanks by replacing 148 high-efficiency breathing valves and 70 pressure relief manholes. This initiative aims to convert uncontrolled tank emissions into controlled emissions through the accompanying RTO furnace for management, resulting in an estimated annual reduction of approximately 115 tons of VOCs.

As of the end of the reporting period

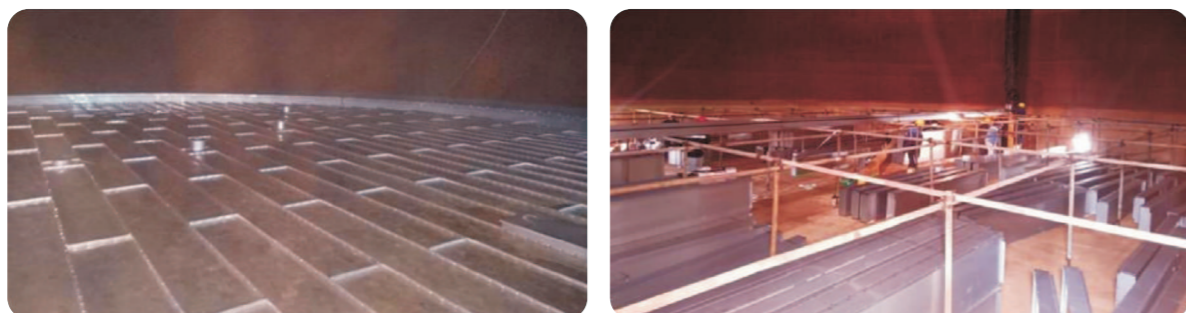
The air quality within a 5km radius has improved, benefiting around **45,000** people. 🌿



Changzhou Great River efficient breathing valve

■ Implementing "Full Liquid Contact + High-Efficiency Sealing" Floating Plate Retrofit

In 2023, Taicang Power Shell Petrochemical Co., Ltd.'s subsidiary company implemented the Environmental Protection Comprehensive Improvement Project. The project involved the conversion of the floating roof tanks in the storage area into floating roofs capable of "full liquid contact + high-efficiency sealing." Through this upgrade, the storage tanks were equipped with nitrogen sealing facilities, breathing valves, and pressure relief hatches, thus contributing to environmental protection efforts. It is anticipated that this initiative will result in a reduction of approximately 400 tons of VOC emissions per year at the source.



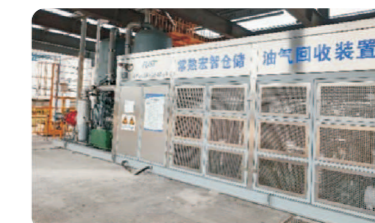
Full Liquid Contact + High-efficiency Sealing" Floating Plate by Taicang Power Shell Petrochemical

■ Implementing Oil and Gas Recovery and Renovation Projects

In 2023, Changshu Great Smart Petrochemical Terminal initiated an oil recovery transformation project to enhance the efficiency of oil and gas recovery and minimize VOCs emissions by expanding the capacity of the recovery storage tank.

As of the end of the reporting period

A new **800m³/h** dual-channel oil and gas recovery equipment and associated pipelines were invested in and constructed to replace the original **200m³/h** single-channel oil and gas recovery equipment. New oil recovery pipelines, loading platforms, and the retrofitting of five sets of bottom-mounted crane tubes and tank accessories. The operation aims to implement sub-loading for the oil product group, focusing on oil and gas recovery and achieving a VOCs removal efficiency of over **95%**.



The Changshu Great Smart Petrochemical Terminal has recently procured new oil and gas recovery equipment.



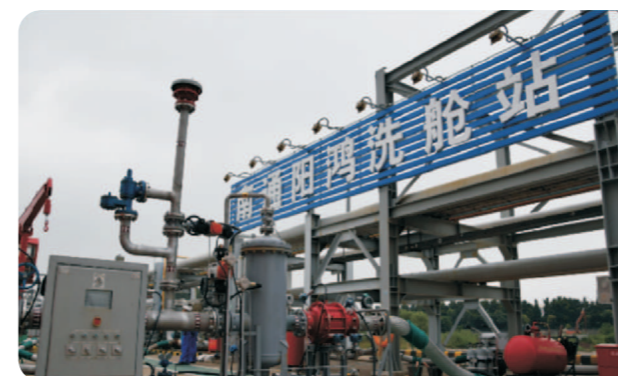
Expanding Environmental Protection Business

The company is proactively growing its Environmental Protection business in line with the local government department's requirements for its subsidiary enterprises, integrating its current business strengths and relevant potential demands. The company is involved in constructing and operating ship pollution washing stations, while also providing assistance to customers in ship garbage transfer. This includes receiving ship pollutants for emission reduction treatment, as well as handling the disposal of chemical cleaning water and oil-contaminated sewage from river vessels.

During the reporting period, the subsidiary companies Taicang Power Shell Petrochemical Co., Ltd. and Nantong Power Shell Petrochemical Co., Ltd made:

■ A cumulative total of **14,917** tons of ship sewage received

🌿 Reduce COD by approximately **220.77** tons.



Nantong Power Shell Petrochemical Co., Ltd. cleaning station



Taicang Power Shell Petrochemical Co., Ltd. cleaning station

Environmental Protection Concepts and Practice

It is our shared historical responsibility and mission to practice the concept of environmental protection and to contribute to the building of a beautiful China. The company is guided by the concept of green development, pursuing high-quality development by comprehensively promoting energy conservation, reducing consumption, and encouraging low-carbon circulation. It encourages employees and the general public to initiate environmental protection efforts in their surroundings, collaborating to construct an environmentally friendly society.

Environmental Protection Public Welfare Activities

To enhance Environmental Protection awareness and effectively promote energy-saving, the company's volunteer groups in various storage areas regularly arrange public welfare initiatives including urban greening, beautification, and shoreline rubbish cleaning.



During the reporting period, the company engaged in environmental protection public welfare activities a total of **2** times.

■ Conduct Environmental Protection-themed Volunteer Service Activities

On June 11th, 2023, the Changshu Base collaborated with the Changshu Economic and Technological Development Zone Environmental Protection Bureau to organize a public volunteer service event at Yushan Park, under the theme "Protecting Clean Water and Green Mountains to Build a Green Home", aligning with the vision of "Building a Modernization for Harmonious Coexistence between Humans and Nature" for the 2023 World Environment Day. Approximately 80 people participated in the event. With a spirit of endurance and dedication, the volunteers completed the cleaning work within the scheduled time, clearing the park of litter and contributing to a cleaner and more organized public environment.



Environmental Protection Education and Promotion

The company promotes the improvement of environmental protection awareness among employees and the general public through internal environmental education and external environmental publicity activities, aiming to increase attention to environmental issues.



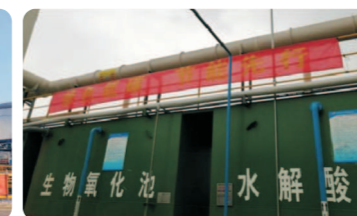
During the reporting period, the company conducted Environmental Protection education and promotional activities **21** times in total.

■ Greenhouse Gas Inventory Training

The company aims to raise awareness about organizational greenhouse gas emissions through the promotion of "ISO14064-1 Organizational Greenhouse Gas Inventory and Verification." This includes information on greenhouse gas management, challenges, opportunities, the development and framework of greenhouse gas-related standards, key terms and definitions, emission sources and activity data, determination of emission factors, and the calculation of emissions.

■ Activities for Energy-saving Promotion and Low-carbon Day in 2023

To fulfill the mandates of the national energy-saving publicity week and low-carbon day activities, and to promote the principles of green development and the understanding of energy conservation and carbon reduction, the company has chosen "Walking Together with You and Me: Energy Conservation and Carbon Reduction" as the central theme. It has enthusiastically organized a variety of educational events and robust public outreach efforts to enhance awareness of ecological preservation, conservation practices, and the principles of green low-carbon development.



SOCIETY

- **Responsible Supply Chain**

- Supplier Management
- Integrity in Procurement

- **Strengthening Safety Management**

- Safety Management System
- Occupational Health and Safety
- Safety Training and Drills

- **Employee Growth**

- Employee Rights and Benefits
- Employee Development
- Employee Care
- Incentives and Assessment

- **Building a Harmonious Society**



Responsible Supply Chain

Supplier Management

■ Supplier Management System

By comprehensively managing suppliers, efficiency can be improved and costs reduced, service and quality levels enhanced, and flexibility and adaptability strengthened, while also fostering cooperation and collaboration. These goals are interrelated and mutually supportive, collectively forming an efficient, stable, and sustainable supplier management system.



Supplier admission

Clearly define the basic requirements for supplier admission from aspects such as the supplier's legitimate business qualifications, certification audit processes, quality assurance systems, and other conditions.



Supplier classification

Based on the principles of "comparable level, proximity, and similar performance," the company forms a centralized procurement of main equipment and materials suppliers. Vendor for non-centralized procurement of small materials shall be selected based on the principles of "choosing the nearest, having outstanding comprehensive strength, and promoting healthy competition".



Supplier performance evaluation and management

Establish a scientific and reasonable "Supplier Performance Evaluation Form," and organize relevant departments to evaluate the supplier's performance in fulfilling contracts. Suppliers who receive an "excellent" performance evaluation for the year are eligible for rewards.

Based on the annual comprehensive evaluation, analyze the reasons for issues related to safety, quality, service, delivery capability, etc. discovered during the assessment, formulate improvement plans, carry out the improvements, deepen cooperation with high-quality suppliers, and eliminate unqualified suppliers.



Supplier Exit Management

Suppliers found to have violated national laws and regulations, engaged in illegal activities, or have failed to meet annual evaluation standards during the cooperation process will be removed from the list of suppliers.

■ Supplier Contract Signing

The contract signed with the supplier contains "Clean Code of Practice" and "Supervision and Reporting Methods", and is jointly supervised by legal personnel, the Audit Department, and the Infrastructure and Procurement Center to maintain a good business environment and the legitimate rights and interests of both parties.

■ Management of Supplier ESG Risks

When signing contracts with suppliers, the company simultaneously signs the "Safety, Environmental Protection, and Occupational Health and Safety Agreement for Related Parties" with contractors to clarify the main responsibilities of both parties in terms of work safety, environmental protection, and occupational health. This ensures good working order, a safe workplace, standardized behaviors that do not pollute the environment, and the elimination of behaviors that are detrimental to occupational health.

Integrity in Procurement

■ Transparent Procurement

The contract signed with the supplier contains "Clean Code of Practice" and "Supervision and Reporting Methods", and is jointly supervised by legal personnel, the Audit Department, and the Infrastructure and Procurement Center to maintain a good business environment and the legitimate rights and interests of both parties.

■ Green Procurement

The company fully integrates the concept of environmental protection into the procurement process, placing a strong emphasis on equipment and material selection with a priority given to low-carbon, environmentally friendly, and energy-efficient options under similar conditions.

■ Procurement Execution

Based on the company's procurement needs, the standard procurement operation process includes five forms: direct procurement, single source procurement, inquiry and negotiation procurement, competitive negotiation, and invitation to bid. Suppliers are selected from a shortlist and the process includes requisitioning, inquiry (bidding), contract signing, supplier stocking, goods receipt and payment.

In 2023



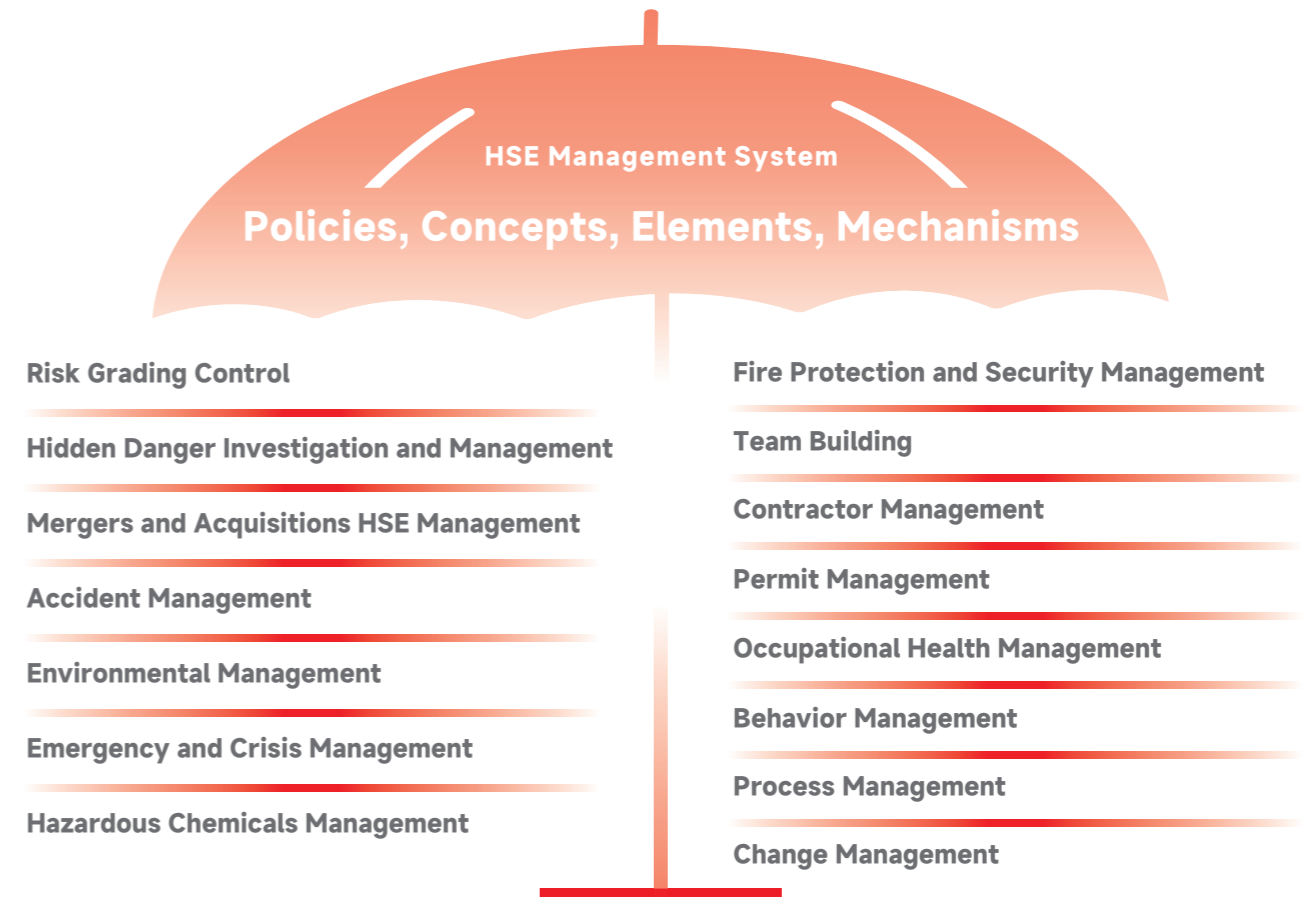
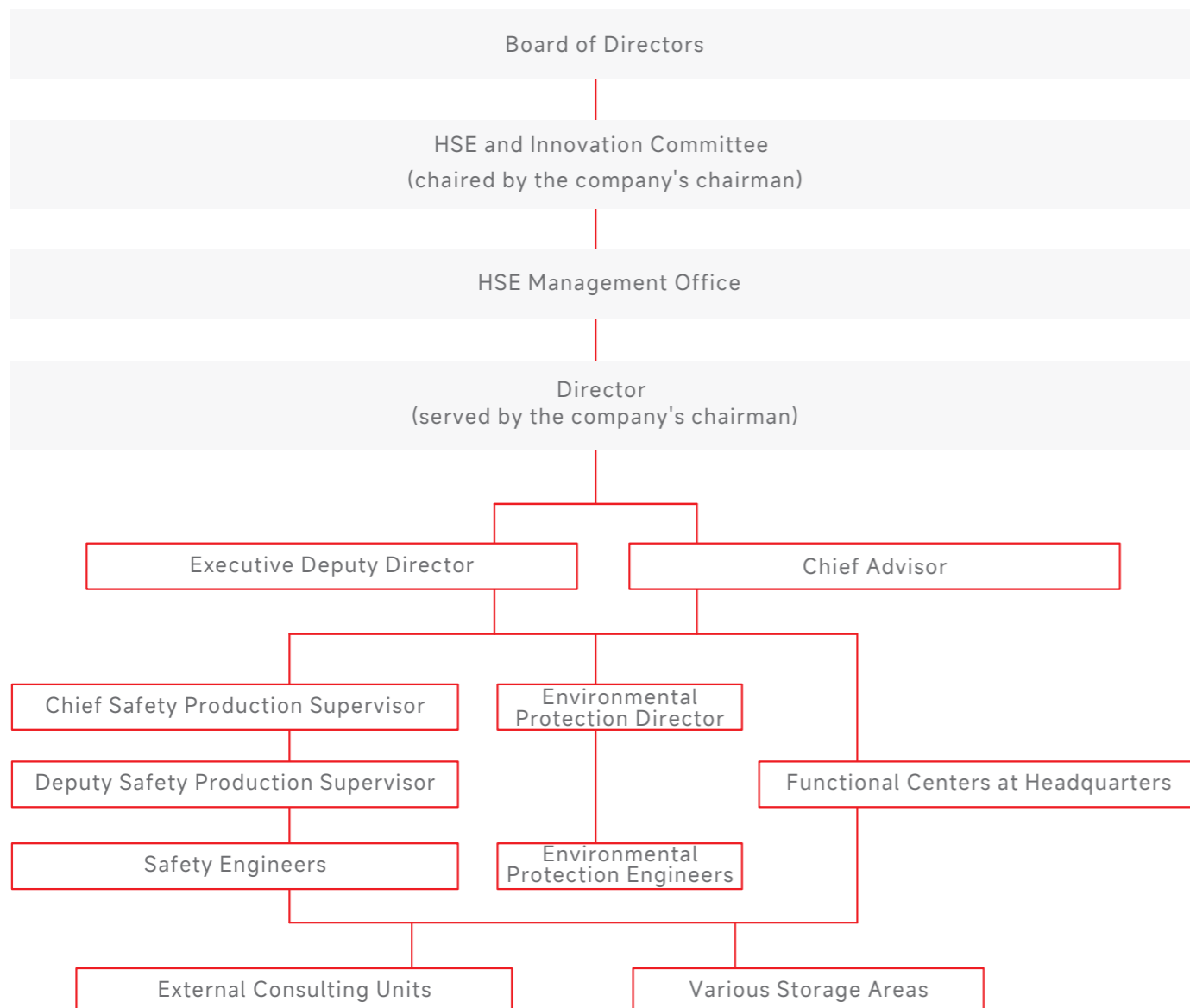
The company's Infrastructure and Procurement Center has connected with **175** centralized purchasing suppliers (including **22** suppliers within Guangdong Province). **1** supplier had its cooperation suspended due to non-compliance, and **2** potential suppliers were rejected due to non-compliance.



Strengthening Safety Management

Safety Management System

■ Safety Production Management Mechanism



HSE Management System
Achieving four goals through the HSE management system



■ Safety Production Management System

The company standardizes its HSE management work through the "HSE Management Procedure" :

- Continuously improve its occupational health and safety performance, prevent significant injuries and health damage to personnel caused by work, and provide a healthy and safe working environment;
- Create an excellent safety culture atmosphere, adopt effective prevention and protection measures to eliminate hazards, and minimize occupational health and safety risks;
- Strive to transform from managing accidents to managing incidents, from managing incidents to managing hidden dangers, from managing hidden dangers to managing risks, and pursue zero harm, zero hidden dangers, zero pollution.



The company regularly reviews and revises its safety management system and continuously improves various safety management regulations. In 2023, the company formulated/revised **26** management documents and related forms, gradually perfecting the safety management system.

S/N	Documents
1	HSE Management Procedure
2	Standardized Management Measures for Solid Waste
3	Management Procedures for Accident Investigation and Handling
4	Procedure for Management of Emergency Preparation and Responses
5	HSE Inspection Management Measures for Operational Projects
6	Management Measures for HSE Expert Database
7	HSE Accident Management Measures
8	HSE Responsibility Accountability Measures
9	HSE Information Submission Management Measures
10	Standardized Management Measures for Solid Waste
11	Wastewater Governance and Management System
12	VOCs Governance Work System
13	Environmental Protection Monitoring and Management System
14	Energy Saving and Emission Reduction Management Measures
15	Management System for Oil Vapor Recovery Device
16	Emergency Environmental Management System
17	Environment Information Disclosure Management System
18	Environmental Protection Supervision and Inspection System
19	Regulations for Control and Management of VOCs in Loading and Unloading Vehicles
20	General Management Measures for Solid Waste
21	Annual Advanced Work Team Selection System for Safety Production
22	Guidelines for Emergency Response to Sudden Weather Disasters
23	Material and Cargo Adaptation Table (2023 Edition)
24	Coating and Cargo Stowage Table (2023 Edition)
25	Oil and Gas Recovery Disfunction Diagnosis Guideline
26	Emergency Response Plan for SIS System

Based on the company's safety management strategy goal of "Employee Recognition, Social Respect, Industry Leader, Safety Benchmark" and the safety management vision of "Safe GR、Happy Home", in order to standardize the performance evaluation and management of HSE responsibilities, enhance the process and goal management of HSE, reduce and control accidents, and meet the requirements of standardized HSE management, the company has formulated the "HSE Responsibilities Performance Evaluation Measures" to clarify the scope and criteria for safety performance evaluation of personnel at all levels in the company. It links safety production performance with the safety production work of personnel at all levels in the company to ensure the achievement of safety management goals.



HSE Performance Assessment

■ Risk Inspection and Emergency Management Architecture

The company earnestly implements the main responsibility for safe production, actively carries out the investigation and rectification of major accident hazards, and strengthens the comprehensive investigation of key areas, key processes, and key parts. At the same time, it innovates the risk prevention mechanism, enhances the comprehensive management ability to respond to emergencies, ensures that the company's risk hazard investigation is thorough, risk control is in place, and emergency response capabilities are improved, thereby preventing and curbing the occurrence of various types of production safety accidents.



Number of hidden danger inspections

295



Number of hidden dangers discovered

1,567



Closure rate of hidden dangers

100%



Assessment of Team Leader's Safety and Environmental Protection Performance

The company regularly conducts assessments on the safety and environmental protection performance capabilities of team leaders and generates corresponding reports. The assessment of team leaders' performance capabilities is carried out in four dimensions: "team management ability, risk control ability, mentoring ability, and emergency response ability."

Team management capability refers to the ability to demonstrate, guide, lead, and effectively implement responsibilities; risk control capability refers to the ability to meet the necessary basic knowledge and skills for job performance, and to organize identification, evaluation, and control of safety and environmental risks within the team's jurisdiction; mentorship capability refers to the atmosphere within the team that fosters mentorship, with activities, mentoring records, and candidates who are qualified to replace the team leader; emergency response capability refers to the ability to organize, coordinate, command, and respond to sudden events.



Emergency Capacity Assessment of Each Warehouse Area

The HSE Management Office organized emergency capacity assessments for each warehouse area. The assessments were conducted through inquiries, document reviews, and on-site inspections, evaluating aspects such as emergency duty, emergency reporting, emergency supplies, emergency teams, emergency plans, emergency training, emergency drills, and emergency support.



Risk Assessment Consultation and Guidance Plan

The company invited experts from the China Occupational Safety and Health Association to provide empowerment training on LOPA-SIL, HAZOP classification analysis methods, HAZID, and JSA risk assessment methods to relevant personnel at Nantong Yanghong and Lisha Island bases. The trained personnel also underwent a risk assessment capability evaluation.



Management of Major Risk Sources

According to the "Measures for the Supervision and Management of Major Hazard Sources of Dangerous Goods in Ports" (Transportation Water [2021] No.6) of the Ministry of Transport, all subordinate units of the company are required to conduct:

- Safety assessments on the major hazard sources in their respective ports and determine their hazard source levels.
- the identified major hazard sources should be registered and documented promptly;
- A dual preventive mechanism should be established to ensure safety risk classification and control, and to conduct inspections and governance of hidden dangers. A comprehensive system for the safety management of major hazard sources in ports should be developed, and safety technological measures should be implemented accordingly.
- Regular inspections and daily patrols should be conducted to assess the safety status of major hazard sources.
- Measures should be promptly taken to eliminate any accident hazards identified during inspections.
- Monitoring and surveillance of major hazard sources should be carried out, and a monitoring system for the safety of major hazard sources, based on the types, quantities, storage processes, and related equipment and facilities of dangerous goods, should be established and improved in accordance with the requirements.

Control measures should be enhanced. According to the relevant national regulations, regular testing and inspection of the safety facilities and monitoring systems for major hazardous sources in ports should be conducted. Regular maintenance and upkeep should also be performed, and the results of maintenance, testing, and inspection should be recorded to ensure the effective and reliable operation of the safety facilities and monitoring systems for major hazardous sources.

Establish a system for safety risk warning notices, set up clear safety warning signs and safety risk notice boards in places where major hazards are located, produce job safety risk notification cards, indicating the main safety risks, the categories of potential accident hazards, the consequences of accidents, control measures, emergency measures, and reporting methods, and so on.



重大危险源告知牌							
重大危险源单位	重大危险源名称	重大危险源类别	危险物质名称	重大危险源级别 (最高级别)	责任单位	安全生产第一责任人	监督举报电话
常熟宏智仓储有限公司	公司石油库区	危险化学品	易燃易爆石油化工产品	一级	常熟宏智仓储有限公司	方惠良	0512-52010110 12350
物质危险性 第三类易燃易爆石油化工产品。物料或其蒸汽与空气可形成爆炸性混合物，遇明火、高热能引起燃烧爆炸。有窒息性，其蒸汽比空气重，能在较低处扩散到相当远的地方，遇火会着火回燃。							
重大危险源概况							
	重大危险源单元	单元	等级	数量	单元	重大危险源等级	单元
	300罐组	41.8424	1	2	83.8848	二级	1313(含甲B/A2)
	400罐组	100.725	1	2	201.45	一级	1314(含甲B/A3)
	500罐组	94.01	1	2	188.02	一级	1315(含甲B/A4)
	600罐组	53.72	1	2	107.44	一级	1316(含甲B/A5)
	700罐组	1.03275	1	2	2.0655	四级	1317(含甲B/A6)
	800罐组	6.12	1	2	12.24	三级	1318(含甲B/A7)
	900罐组	134.3	1	2	268.6	一级	1319(含甲B/A8)
	1000罐组	402.9	1	2	805.8	一级	1320(含甲B/A9)
	1301储罐	4.8189	1	2	9.6378	四级	1321(含甲B/A10)
	1312(含甲A1)	18	1.5	2	54	二级	
急救措施 一、皮肤接触：立即脱去污染的衣着，用肥皂水和清水彻底冲洗皮肤。就医。二、眼睛接触：立即提起眼睑，用大量流动清水或生理盐水冲洗至少15分钟。就医。三、吸入：迅速脱离现场至空气新鲜处，保持呼吸道通畅。如呼吸困难，给输氧。如呼吸停止，立即进行人工呼吸。就医。四、食入：给饮牛奶或植物油洗胃和灌肠。就医。							
应急处置 泄漏应急处置 迅速将泄漏污染区人员撤离至安全区，并进行隔离，严格限制出入。切断泄漏源。防止流入下水道、排洪沟等限制性空间。小量泄漏：用砂土、蛭石或其他惰性材料吸收。或在保证安全情况下，就地焚烧。大量泄漏：构筑围堤或挖坑收容。用泡沫覆盖，降低蒸气灾害。							
灭火方法 喷水冷却容器。可能的话将容器从火场移至空旷处。灭火剂：泡沫、干粉、二氧化碳、用水灭火无效。							

■ Safety Management Integration Enhancement Project

Safety Management Integration Enhancement Project - Top-level Design

- **Revise the "HSE Management Procedure" of GR and conduct training and promotion:** Benchmarking the management elements of AQ/T 3034 "Guidelines for Chemical Process Safety Management," supplement and add relevant content such as "Storage Facility Safety Planning and Design, Initial Start-up Safety, Safety Operation, Safety Instrument Management, Major Hazard Source Safety Management, Change Management, and Safe-Always".
- **Compile the key position duty matrix, responsibility list, and guide the revision of the responsibility system for GR.**
- **Construction of safety management capability standards:** Systematically review the company's management system, identify the knowledge and skill gaps of employees, and establish uniform safety management capability standards.



Safety Management Integration Enhancement Project - Risk Assessment

- Conduct research on risk management standards, combine them with the actual situation of the company, and streamline the process of managing process hazards. Develop training programs and content.
- Adopting a centralized training+practical operation empowerment approach, carry out training on risk analysis and assessment methods such as HAZOP, LOPA-SIL, HAZID, JSA, etc., to enhance the company's risk identification and control capabilities.



Safety Management Integration Improvement Project - Operational Completeness

- **Safety Operation Limit Analysis and Review:** Research the current status of company's operation restriction management, conduct training, provide guidance on operation restriction analysis and carry out evaluation to confirm the results.
- **Rationalization Analysis of Alarm System:** Conduct research on alarm management, conduct training based on research findings, and provide guidance to establish a sound hierarchical alarm management system.
- **Perfect Revision of Standard Operating Procedures:** Improve the establishment of the management system for operating procedures, guide the establishment of standard templates for process instructions, (loading, shipping) operating procedures, and process information management system.
- **Pre-Start-up Safety Review (PSSR) for Driving:** Establish a new management system for pre-start-up safety reviews to provide employees with a basis for conducting PSSR.
- **Accident Incident Management Process Review and System Revision:** Review the accident incident management process, and integrate it into the Accident Incident Management System.
- **Emergency Plan Management Process Review and System Revision:** Reviewing the management process of emergency plans, integrating them into the Emergency Plan Management System.



Safety Management Integration Enhancement Project - Equipment Integrity

- Hold a project kickoff meeting for equipment integrity, reviewing previous safety diagnosis issues and clarifying work plans and objectives.
- Conduct Bow-tie analysis and discussion, identify and determine safety-critical equipment (SCE), optimize equipment management resources and reduce costs.
- Equipment classification and inventory clarification.
- Discuss and formulate the PS for SCE (Safety-Critical Systems Engineering).
- Develop a preventive maintenance plan (PM) for SCE and integrate it for further improvement.
- Identify and determine the requirements of the equipment management procedures, communicate the standards of the management procedures, and discuss and revise the equipment management procedures for improvement.
- Discuss and determine the standards and procedures for Device Management (DM) deviation management.
- Determine the specific methods, requirements, results, resources, monitoring, and indicators for equipment integrity management, and establish an equipment integrity management manual.



Occupational Health and Safety

The company attaches great importance to the occupational health and safety of its employees and strictly complies with the relevant provisions of the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" and the occupational health and safety management system issued by the International Organization



for Standardization (ISO). The company continuously improves its occupational health and safety management system and is committed to providing employees with healthy and safe working conditions.

The company continues to strengthen the prevention and management of occupational hazards in the workplace, regularly conducts assessments of the current status of occupational hazards, and invites third-party testing units to detect occupational hazard factors in the workplace every year. The company has set up an occupational health management information bulletin board to regularly publicize occupational health management information to employees, ensuring their right to know.

At the same time, the company continuously improves its occupational health supervision mechanism and continuously improves employees' "Occupational Health Monitoring Files." For personnel in specific positions, the company arranges pre-employment, on-the-job, and pre-departure occupational hazard health examinations in strict accordance with the requirements of laws and relevant industry standards. For personnel in specific positions, the company provides special labor protection equipment and patiently guides and strictly requires employees to wear labor protection equipment to ensure employee safety first. For all employees, the company regularly organizes occupational health examinations to ensure the physical health of employees.

During the reporting period:

Employee physical examination coverage: **100%**

Number of work-related deaths: **0**



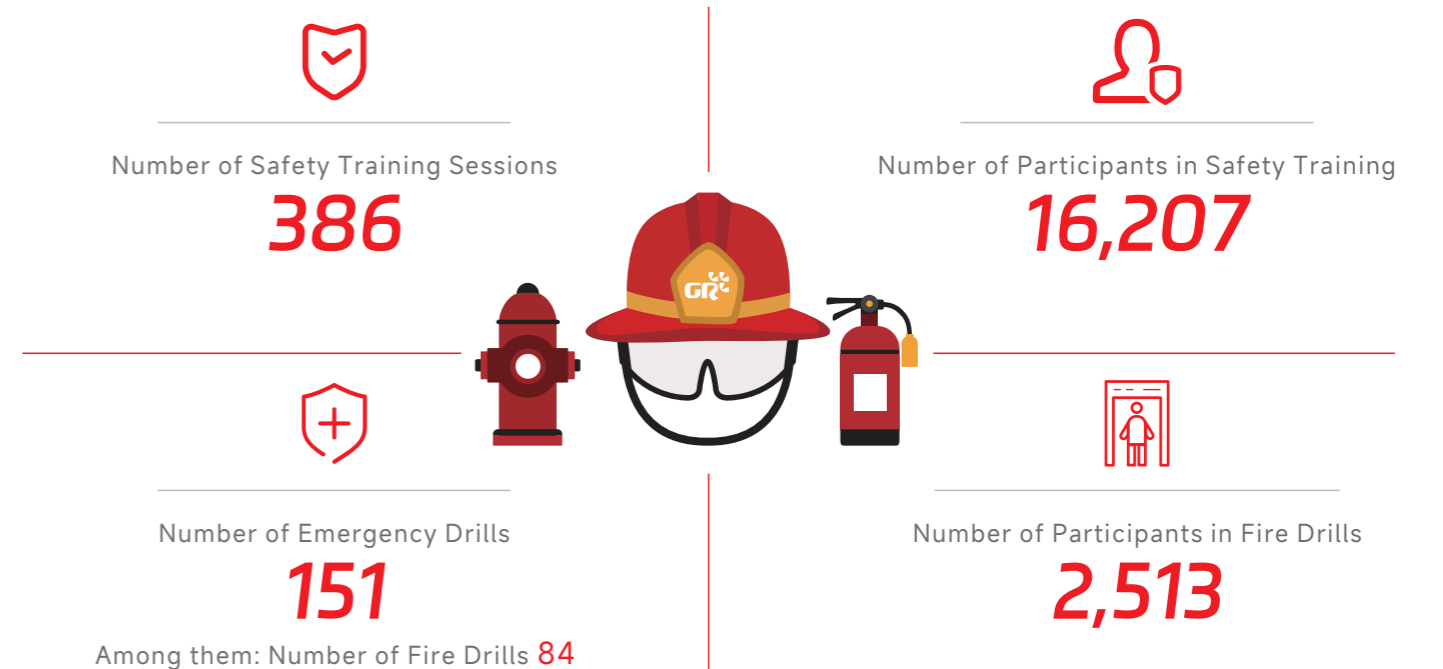
As of the end of the reporting period, the company and its subsidiaries have passed the ISO45001 occupational health and safety management system certification.



检测项目	检测标准	检测结果	备注
职业卫生	GBZ 1-2010	合格	
职业卫生	GBZ 2.1-2019	合格	
职业卫生	GBZ 2.2-2019	合格	
职业卫生	GBZ 2.3-2019	合格	
职业卫生	GBZ 2.4-2019	合格	
职业卫生	GBZ 2.5-2019	合格	
职业卫生	GBZ 2.6-2019	合格	
职业卫生	GBZ 2.7-2019	合格	
职业卫生	GBZ 2.8-2019	合格	
职业卫生	GBZ 2.9-2019	合格	
职业卫生	GBZ 2.10-2019	合格	
职业卫生	GBZ 2.11-2019	合格	
职业卫生	GBZ 2.12-2019	合格	
职业卫生	GBZ 2.13-2019	合格	
职业卫生	GBZ 2.14-2019	合格	
职业卫生	GBZ 2.15-2019	合格	
职业卫生	GBZ 2.16-2019	合格	
职业卫生	GBZ 2.17-2019	合格	
职业卫生	GBZ 2.18-2019	合格	
职业卫生	GBZ 2.19-2019	合格	
职业卫生	GBZ 2.20-2019	合格	
职业卫生	GBZ 2.21-2019	合格	
职业卫生	GBZ 2.22-2019	合格	
职业卫生	GBZ 2.23-2019	合格	
职业卫生	GBZ 2.24-2019	合格	
职业卫生	GBZ 2.25-2019	合格	
职业卫生	GBZ 2.26-2019	合格	
职业卫生	GBZ 2.27-2019	合格	
职业卫生	GBZ 2.28-2019	合格	
职业卫生	GBZ 2.29-2019	合格	
职业卫生	GBZ 2.30-2019	合格	
职业卫生	GBZ 2.31-2019	合格	
职业卫生	GBZ 2.32-2019	合格	
职业卫生	GBZ 2.33-2019	合格	
职业卫生	GBZ 2.34-2019	合格	
职业卫生	GBZ 2.35-2019	合格	
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职业卫生	GBZ 2.42-2019	合格	
职业卫生	GBZ 2.43-2019	合格	
职业卫生	GBZ 2.44-2019	合格	
职业卫生	GBZ 2.45-2019	合格	
职业卫生	GBZ 2.46-2019	合格	
职业卫生	GBZ 2.47-2019	合格	
职业卫生	GBZ 2.48-2019	合格	
职业卫生	GBZ 2.49-2019	合格	
职业卫生	GBZ 2.50-2019	合格	



Safety Training and Drills



■ Safety Training

Training on Interpretation of "Design Code for Oil Depots"

In order to more comprehensively and thoroughly interpret the national standard "Design Code for Oil Depots" and further improve the safety management of the storage area, the company invited Mr. Han Jun, the main drafter of the "Design Code for Oil Depots", to come to the company for training and Q&A sessions.

Training for Special Operation Safety Supervisors

In accordance with the mandatory requirements of "Safety Regulations for Special Operations in Chemical Production Units" GB30871-2022, "Special Operations Safety Supervisors must undergo training, assessment, obtain certificates, and take up their positions". The company conducts continuing education and assessment for special operations safety supervisors.



Training on "Chemical Process Safety Management"

The company invited Wang Haoshui, Vice Chairman of China Occupational Safety and Health Association and Deputy Secretary of the Party Committee, to conduct on-site work discussions and special training on "Chemical Process Safety Management".

Compilation of "Job Safety Production Knowledge Training and Assessment Matrix"

In order to implement the daily security knowledge examination for employees, further strengthen their understanding and mastery of safety management-related knowledge, the company has compiled the "Job Safety Production Knowledge Training and Assessment Matrix". Referring to the matrix, training libraries and question banks are developed, and after completion, assessments are conducted based on categories.



Series of Training During Safety Production Month



Training on "Crisis and Emergency Management"

The company invited Professor You Zhibin, a doctoral supervisor and professor at the Emergency Management Training Center of the Central Party School (National Academy of Governance), to conduct specialized training on "Crisis and Emergency Management" on site, in-depth study of national emergency management laws and regulations, typical cases and prominent issues, emergency management strategies and methods, and further enhance the company's crisis and emergency management capabilities.

Special Training on "Risk Management"

The company invited Zheng Jian from the China Occupational Safety and Health Association to conduct on-site training on "Risk Management" to further enhance risk classification control and hidden danger investigation and governance capabilities.

Emergency Drills

Series of Drills During Safety Production Month

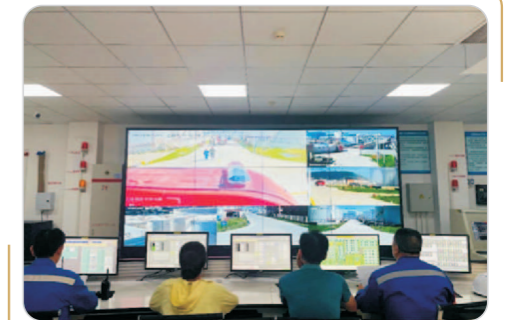
Changzhou Municipal Transportation Bureau and the Xinbei District Construction Bureau jointly conducted a joint emergency drill for transportation and production safety accidents involving hazardous chemicals in Xinbei District, Changzhou GR.



Cangzhou Great River Warehousing & Logistics conducted a comprehensive drill on safety production accident contingency plans



Lishadao Base in Dongguan conducted an emergency drill for T4006 tank production safety accidents. The Safety Director of the HSE Department at Lishadao Base in Dongguan, served as the overall commander for this comprehensive emergency drill and invited the Fire Brigade of the Binhai



Fujian Gangfeng Energy, together with the Qinglanshan Squadron of the Sinochem Fire Brigade and the Four Major Teams of the United Petrochemical Fire Brigade, carried out emergency drills for major hazard source leakage and fire accidents.

Other Drills

In order to improve the production safety accident warning and emergency response capabilities of all employees, Zhongshan GR and the local fire rescue team carried out a level 2 comprehensive emergency drill.



Employee Growth

Employee Rights and Benefits

■ Employee Recruitment



Compliance in Employment

The company strictly complies with the requirements of the "Labor Law" and "Labor Contract Law" in terms of employment, and will not employ individuals who have not terminated their labor contracts with their original employer or who are under 18 years old. All personnel must sign a labor contract on the day of employment to ensure legal and compliant employment.



Equal Opportunities

The company strictly adheres to the provisions of the "Labor Law" and the "Labor Contract Law," as well as other relevant legal regulations, in formulating its human resources and recruitment policies. Within these policies, the company clearly states that the recruitment and employment of employee follow the principles of "openness, equality, competition, and meritocracy". Employees who meet the requirements for recruitment positions within the company and demonstrate outstanding performance will be given priority for selection and promotion, with external recruitment considered afterwards.



Non-discrimination

The company provides equal opportunities to all applicants, regardless of their gender, ethnicity, religious beliefs, or different references.

■ Labor Union Organization

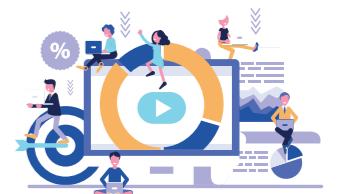


Under the leadership of the party organization, the trade union advances the construction of democratic management. It listens to the needs of the employees, advocates on their behalf, and safeguards their rights and interests. The union always insists on safeguarding the legitimate rights and interests of the workers, regularly holds workers' congresses to report on the work situation, listen to the voices of the workers, and safeguard the workers' rights to be informed, to vote, and to make suggestions. The union regularly organizes face-to-face communication between employee representatives and business representatives to sign collective bargaining agreements, ensuring that employees receive the benefits they deserve.

■ Employee Communication



The company places a high emphasis on employee communication and advocates for a culture where 'superiors encourage and praise their subordinates frequently; subordinates offer suggestions and discuss issues with their superiors.' This approach ensures the full protection of employees' democratic rights to speak out. For new employees, the company conducts periodic one-on-one meetings to establish a smooth communication channel with them.



■ Satisfaction Culture



To enhance overall satisfaction, the company conducts a semi-annual satisfaction survey across three dimensions: "employees," "customers," and "departments." After compiling the results, the company focuses on the bottom five areas with the lowest scores, conducting continuous follow-ups and improvements. Through ongoing refinement and optimization, the company aims to continuously elevate satisfaction levels among employees, customers, and departments.

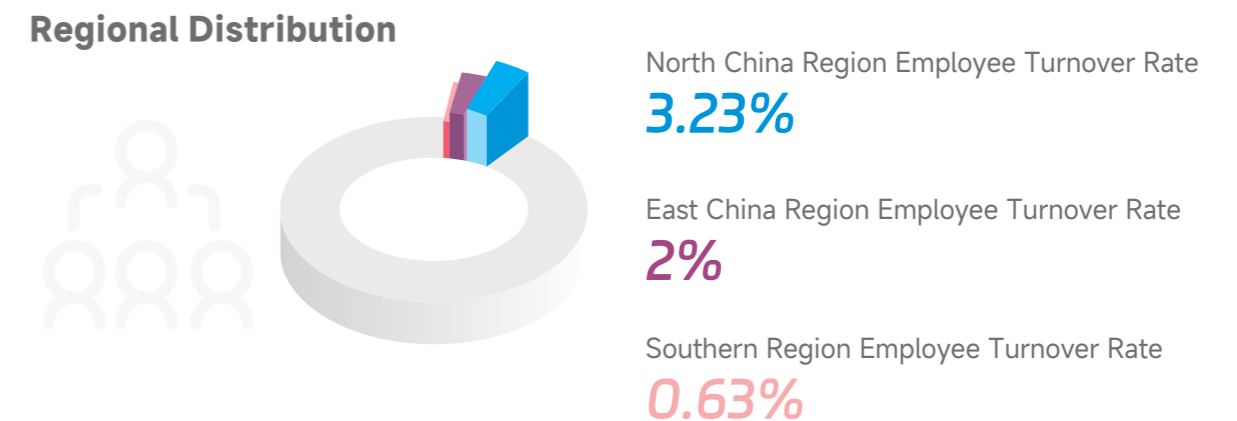
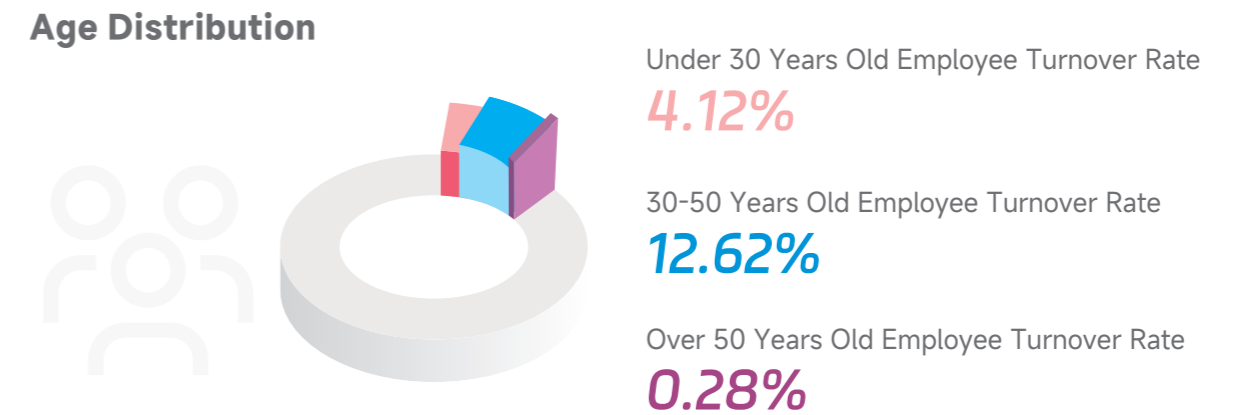
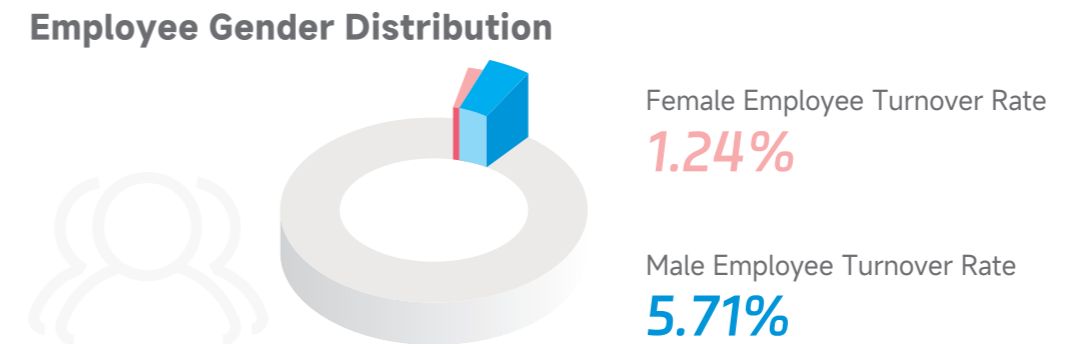
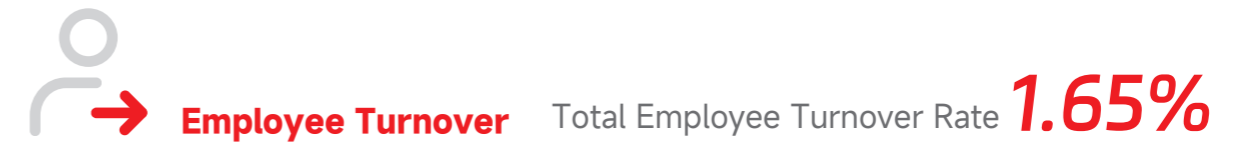
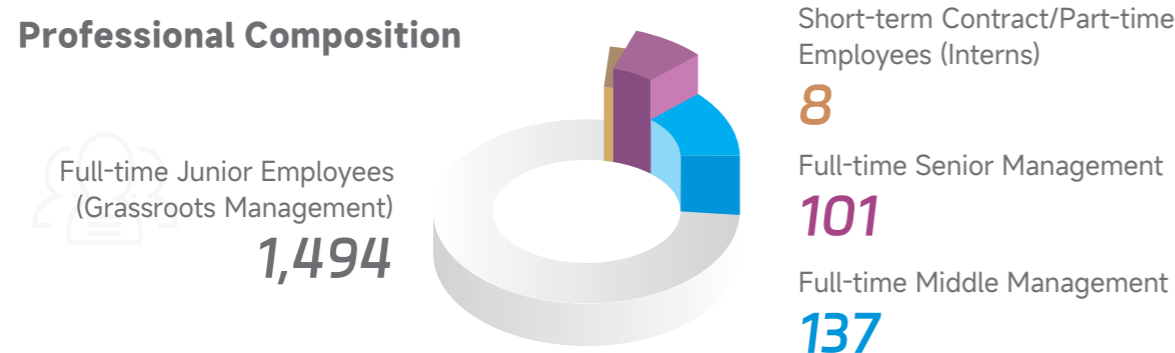
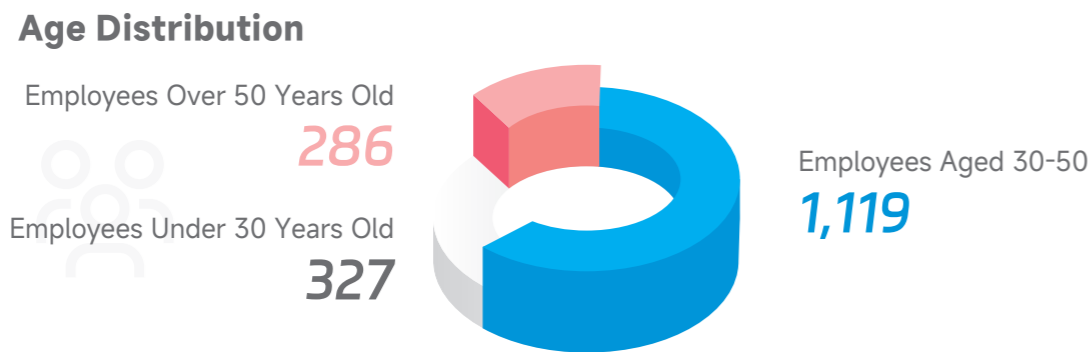


■ Care for Female Employees



The company respects and cares for every female employee, ensuring the protection of their rights and interests in all aspects. To this end, the trade union has established a Women's Staff Committee. The company has established a 'Mother's Station' within the workplace to accommodate the special needs of female employees during breastfeeding and other critical periods. For pregnant female staff, the company provides a special nutritional soup. On 'March 8th' Women's Day, the company organizes activities for female employees to make them feel cared for and appreciated in their work environment.

■ Employee



Employee Development

■ Career Development Channels

The company adheres to the corporate mission of building a development platform for employees, and strives to expand career development channels for employees, and actively provides support and assistance for the development of employees, in order to realize the value of employees while promoting the healthy development of the company, to achieve a win-win situation for the development of the company and employees.

Promotion Mechanism: Dual-track Promotion Mechanism for Management and Technology



Management Promotion Mechanism:

Frontline personnel → Frontline management personnel →
Middle-level management personnel → Top-level management personnel



Technical Channel Promotion Mechanism:

technician/technologist → technical director/chief technician →
engineer/technical manager → chief engineer

Promotion Cycle

In order to ensure that employees are promoted, the company relies on the employee's monthly performance and comprehensive ability and contribution to give two opportunities for promotion and salary adjustment each year, respectively, in January and July each year.

Capacity Enhancement Guarantee

In order to improve the ability and level of employees, and to ensure the healthy growth of employees under the dual-channel promotion mechanism, the company has established a perfect training system and diversified incentive mechanism.

- Through the combination of online and offline methods, GR Management Academy provides employees with opportunities for learning and improvement. For example, the establishment of the Foundation, Pillar, and GRMBA three learning programs is to enable and support the management knowledge required for different management levels. By training internal instructors, reviewing and summarizing job experience, and strengthening the inheritance and accumulation of professional skills, providing support and guarantee for employees' technological development.

- Through multiple incentive mechanisms, fully enhance the learning enthusiasm of the employees and give them a platform to realize multiple values, such as: the establishment of academic qualifications and skills upgrading incentive mechanism to encourage employees to improve the overall quality and professional skills. By participating in cross-departmental teamwork, you can not only enhance your general ability, but also expand your career field.

Number of cross-grade promotions in 2023



- Frontline worker to frontline manager: **49**
- Frontline manager promoted to middle-level manager: **16**
- Mid-level manager promoted to senior executives: **1**

■ Employee Training System

In order to build a learning organization and achieve sustainable development of the enterprise, the company based on the long term, focusing on the future, jointly with the China Europe International Business School (CEIBS) and China Europe Business Online (CEBI), jointly founded the internal university GR Management Academy.

Vision and Mission of GR Management Academy

Purpose: With a great sense of mission to realize the sustainable and stable development of the company to seek innovation and promote the long-term progress of the employee

Motto: Cultivation, Virtue, Excellence, Innovation

In line with the company's development needs, GR Management Academy continuously innovates training modes and methods. The E-learning online platform of GR Management Academy was launched in March 2019, achieving a cross-over in time and space for training work. Relying on the e-learning platform, we provide professional, systematic and targeted training for employees at all levels and positions of the company through the pillars of key talent cultivation, core quality enhancement and career development certification. As of the end of the reporting period, GR Management Academy has fully utilized its role as a talent training base, management transformation promoter, knowledge asset manager, and corporate culture ambassador, and has become an important strategic force for the company, effectively ensuring the company's continuous, stable, and healthy development.

Institutional Construction

In order to ensure the long-term stable operation and standardized implementation of training work, GR Management Academy has established targeted systems from multiple dimensions such as daily training management, internal trainer and course development management, and employee independent academic and skill improvement management, in order to provide support for a learning organization.

Number of employees applying for education and skill enhancement subsidies in 2023: **17** people

Subsidies for education and skill improvement in 2023: **452,500** yuan



Advanced Skills Certification/Advanced Professional Title Count: **4**

Advanced Skills Certification / Associate Senior Title Count: **31**

Intermediate Skills Certification / Intermediate Professional Title Number: **139**

Basic Skills Certification / Junior Professional Title Count: **262**

Lecturer Team

Internal certified trainers are important executors of training work, and GR Management Academy insists on continuously certifying, empowering, and managing the trainer team. This is done by establishing clear promotion channels, evaluation standards, and benefits to activate the vitality of the internal certified trainer team.

Number of gold medal instructors: **11** persons



Number of senior lecturers: **4** persons

Number of mid-level lecturers: **4** persons

Number of junior instructors: **166** persons






Knowledge Accumulation





As the company's knowledge asset manager, GR Management Academy has established standardized curriculum development tools and processes, regularly organizes internal excellent experience summary, thus providing a practical course applicable to the company's business scenarios. At the same time, GR Management Academy continuously optimizes the management of knowledge assets and realizes the online dissemination of knowledge assets through the "e-Enterprise Learning" e-learning platform, to improve the circulation and utilization rate of knowledge assets.

-  Number of offline courses developed in-house Gate: **239**
-  Number of micro-courses developed in-house Gate: **88**

Employee Training Performance



-  Total duration of training: **3,540** hours
-  Number of people trained: **34,104** people times
-  Average length of training for male employee: **60** hours
-  Average training hours for female employee: **34** hours
-  Amount invested in occupational training: **929,607** yuan

-  Compliance Awareness Classes Duration of training: **22** hours
-  Safety drills and exercises Duration of training: **20** hours
-  Occupational health and hygiene courses Duration of training: **6** hours
-  Environmental Awareness Classes Duration of training: **5** hours



"e-Learning" Platform

- Conducting online training: **22,432** people times
- Total hours: **23,621** hours
- Hours of study per capita: **11.56** hours
- Number of study courses: **21,900** classes

Development of Key Talent

Talent Reserve

With the existing talent structure, GR Management Academy has formulated the growth and development paths for reserved talents at different levels, with corresponding talent development objectives, talent development measures and tracking mechanisms, etc., to strengthen the company's talent pipeline and meet the company's development needs.

Eagle Training Program





- Purpose of training: To help fresh graduates understand the workplace and GR faster and realize the transformation and leap from campus to workplace and from workplace to GR professional
- Training content: industry information, company and management structure, corporate culture, products and supply chain, company rules and regulations, management system, professionalization, career mindset, the difference between campus and workplace, workplace skills, workplace rules, important professional skills in warehousing, etc.
- Training phase: initial GR experience, workplace a little, professional speed growth
- Forms of training: centralized face-to-face teaching, extension training, internship in reservoirs, exchanges and Q&A
- Training data: 9 days, 25 participants, 9 instructors, 14 courses, 22 credit hours

Management Training Program

- In order to consolidate the company's talent reserves and development capabilities, reserve sufficient human resources for the company's future development, cultivate strategic and comprehensive management personnel, and meet the company's mergers and acquisitions and high-speed development of talent needs to develop and implement the training program for trainees.
- GR recruited 14 undergraduate or graduate students from renowned universities across the country to join key positions at the company headquarters and various storage facilities. These individuals will undergo a training and development program tailored to their backgrounds and our company's talent growth strategies. GR has successfully implemented and completed the first phase of the overall training program for our management trainees.
- Training Phase: Rotational Learning and On-the-Job Training
- Training Formats: coaching and mentorship, participation in key meetings and projects, online learning, and group discussions

Key Position Talents


Based on the company's strategic objectives and talent assessment outcomes, the GR Management Academy has identified key positions within the organization. By aligning with the competency models of these critical roles, we have launched a blended training program that combines 'professional course empowerment, scenario case discussions, and action plan implementation.' This integrated approach aims to enhance the practical capabilities and performance of key personnel.

-  Intern Average Talent Development Time: **7** hours
-  junior employee Average talent development time: **62** hours
-  Mid-level employee Average talent development time: **32** hours
-  Senior employee Average talent development time: **24** hours

■ Core Competency Improvement


HSE Competency

To solidify the foundation of the company's safety management and to build a team of professional safety management personnel, GR is committed to meeting the requirements of safety laws and regulations, including the 'Registered Safety Management Practitioner Classification and Management Measures'. GR Management Academy has optimized the preparation and operation of the Certified Public Safety Engineer (CPSE) exam in the past years and added the new sessions of "offline face-to-face intensive training + online review accompaniment", which has effectively improved the exam passing rate and the company's certification ratio in the CPSE exam in 2023.

 Number of Certified Employee in 2023: **20** people
 Examination Pass Rate in 2023: **33.9%** (higher than the national average pass rate for certification)

Customer Service Competency

Providing 'high-quality services to customers' is the company's mission. In response to the company's need to enhance service capabilities at front-line positions, the GR Management Academy has conducted customer service training across all units and departments. Through a combination of online empowerment learning, offline case discussions, and continuous action improvement, the training has led to a significant improvement in employees' customer service abilities. This has resulted in a shift in mindset, a change in behavior, and an enhancement in performance, ultimately leading to a notable improvement in customer satisfaction.

 Average post-training customer satisfaction: **99.4** points
 Direct supervisors have observed an improvement in the customer service capabilities of their employees, as evidenced by higher ratings compared to before the training: **11%**

Professional Competence for Job Position

GR Management Academy conducts regular surveys to identify key training needs in various centers, focusing on professional directions. By mobilizing both internal and external training resources, they provide targeted professional empowerment and enhancement for the respective positions. The academy places a strong emphasis on post-training job practice and the transformation of learning outcomes, ensuring that the training leads to tangible improvements in performance. The following table lists the engineering and technology upgrading projects at the Infrastructure and Procurement Center:

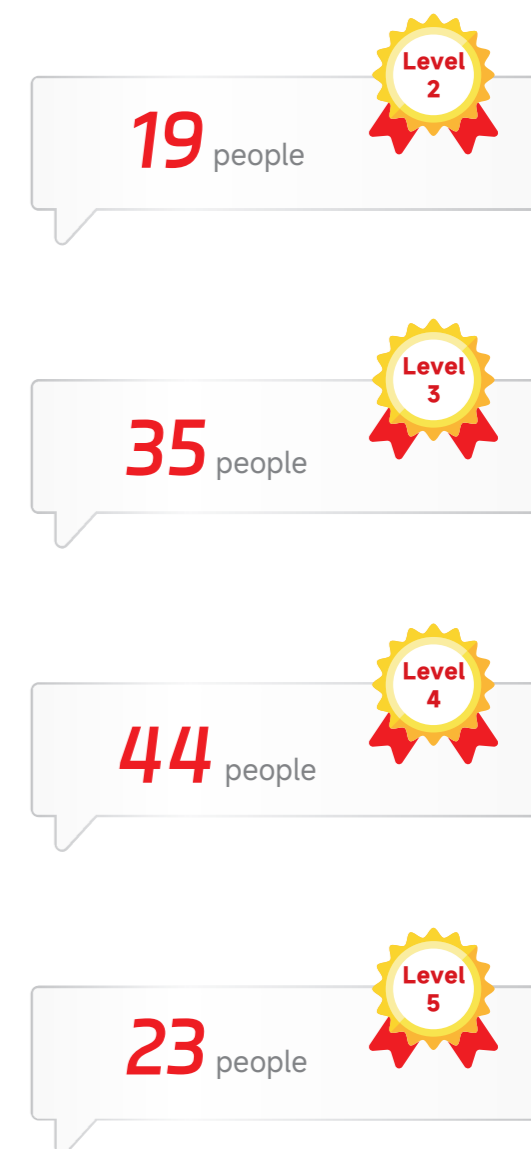
Training Program	Engineering technology enhancement program
Training Objectives	Senior and mid-level executives of the center
Training Results	By translating the acquired technical knowledge into practical actions, the trainees apply what they have learned during their on-the-job training to achieve the transformation of their skills into concrete outcomes. In practice, the trainees apply what they have learned to achieve project quality improvement and cost control by optimizing the preliminary design, standardizing the management of hidden works, and improving the contract and project management.

■ Career Development and Certification

The company has established a professional grading mechanism for 'Petroleum Storage and Transportation Workers,' which has effectively enhanced the professional competence of key operational positions. In 2023, GR Management Academy, in collaboration with the Dongguan Human Resources and Social Security Bureau and Zhitong Vocational Training College, innovatively launched a new apprenticeship training model. This initiative has facilitated a transformation from grading to establishing a talent development pathway.



2023 Professional Skill Level Certification



Employee Care


■ Employee Benefits

The company earnestly practices its corporate culture centered on 'employee focus,' strictly adhering to the 'Labor Law of the People's Republic of China' and the 'Labor Contract Law of the People's Republic of China,' among other legal regulations. It ensures the protection of employees' legal rights and interests. On top of providing statutory benefits, the company offers a range of additional benefits based on the overall needs of its workforce, thereby establishing a diversified welfare system.

- **Employee protection:** high temperature subsidy, employee dormitory, employee health care, shuttle bus transportation, business trip subsidy, commercial accident group insurance
- **Statutory Benefits:** housing provident fund, pension insurance, maternity insurance, medical insurance, unemployment insurance, work injury insurance

■ Employee Mutual Aid

The company has established an Employee Mutual Aid Foundation, adhering to the principle of voluntary membership and withdrawal. Any employee who has successfully completed their probationary period and become a regular staff member is eligible to join the foundation. As members, they enjoy the rights and fulfill the obligations associated with membership. Monthly contributions ranging from 10 to 200 yuan are deducted from their salary to the mutual aid fund, which entitles them to receive emergency and relief assistance from the foundation as per the established guidelines.

 In 2023, the Employee Mutual Aid Foundation provided a total of **63,000** yuan in assistance to five employees.

■ Employee Support

"100% Gratitude" for Parents Number of people covered: **1,106**

The company offers a "100% Gratitude" program for frontline and supervisory staff. Employees participating in this initiative contribute 100 yuan from their salary each month, and the company matches this contribution with an additional 100 yuan. Consequently, a total of 200 yuan is transferred monthly to the bank account of the employee's immediate family member.

Family Care "Journey of Affection" Number of people covered: **248**

Mid-level and senior executives are entitled to 2-5 days or less of paid vacation per year, depending on their rank in the current year, to enjoy family trips, etc. with their families.

Care and Support Coverage: **100%**

The company celebrates significant traditional festivals such as Women's Day, Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival by preparing holiday gifts and organizing festive activities for its employees. Additionally, the company extends congratulations to employees on personal milestones such as marriage and childbirth with specially prepared gifts.

■ Employee Activities

To enrich the spiritual lives of its employees, the company organizes a variety of activities, including: annual parties, Women's Day celebrations, employee birthday parties, speech contests, tug-of-war competitions, sports meets, vocational skill competitions, basketball games, photography contests, and team-building events.

Incentives and Assessment

To continuously improve the long-term incentive mechanism and attract and retain outstanding employees, the company has implemented six consecutive equity incentive plans since its listing in 2018. These plans target key employees, middle management, senior management, directors, and other employees who have made outstanding contributions to the company's performance or have a significant impact on the company's future performance. The scope of incentive recipients has been gradually expanded year by year to fully mobilize employees' enthusiasm.

■ Equity Incentives

Implemented 6 equity incentive plans since the company been listed in 2018

Year	Form of Equity Incentive Plan	Number of granted (10,000 shares/units)	Number of Incentivized Objects (Individuals)
Year 2019	Stock Options	98.50	65
	Restricted stock	50.00	8
Year 2020	Stock Options	1,000.00	87
Year 2021	Stock Options	1,000.00	119
Year 2022	Stock Options	1,000.00	153
Year 2023	Stock Options	578.00	191
Year 2024	Stock Options	715.50	226



■ Performance Assessment

Respecting the value of talent, the company has established a performance management system that is conducive to unleashing the potential of employees and realizing their personal value. This system aligns the performance of individual employees, departments, and the company as a whole, thereby enabling the successful implementation of strategic plans. The company closely links employee performance with their compensation, adhering to the principles of 'openness, fairness, and justice' in conducting comprehensive performance assessment for all employees. The company has established a "Remuneration and Evaluation Committee" to formulate performance assessment policies. Through guidance during the implementation of assessments and communication feedback on evaluation results, the committee assists employees in enhancing their performance and fosters a healthy competitive mechanism.

Monthly Star Assessment

Based on varying levels of performance, the company has delineated a five-tier star rating system. Direct supervisors provide a star rating for each employee's monthly performance. The outcome of these evaluations is directly linked to the monthly star-based bonus, with higher star ratings corresponding to larger bonuses.

KPI Specialized Assessment

The company implements targeted Key Performance Indicator (KPI) assessments for important work projects in key positions, guiding employees to focus on the input and output of critical performance projects.

"Quality Priority" Internal Control Assessment

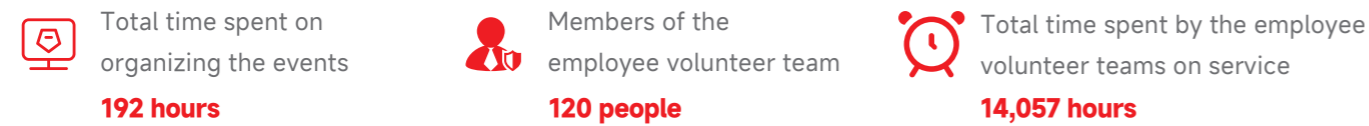
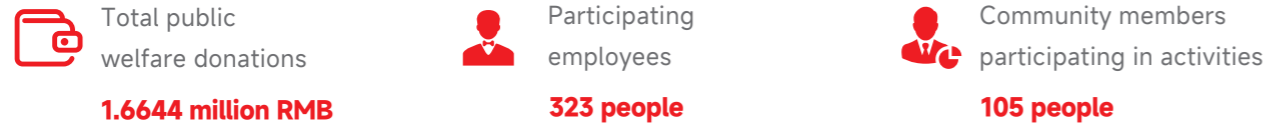
The company conducts assessments of managers and operational staff engaged in production and operations. These assessments take into account multiple dimensions, including service efficiency, product quality assurance, and control over the quantity of product loss, tailored to the company's specific industry characteristics. The results of these evaluations are directly linked to the employees' special performance bonuses.

Cross-departmental Team Performance Assessment

The company has established cross-departmental management teams for specific projects. To ensure the effectiveness of coordinated management and to encourage the work enthusiasm of cross-departmental team members, the company has established a Cross-Departmental Team Performance Bonus to incentivize the performance of members in specific cross-departmental projects.

Building a Harmonious Society

The company actively fulfills its corporate social responsibility, supports public welfare and charity, and engages in multiple areas such as rural revitalization, poverty alleviation, funding education, environmental protection, and social assistance. These activities are organized and implemented by the labor union, the party branch, the youth league branch, and the GR Spark Volunteer Service Team, relying on the "GR Public Welfare Fund" and the "GR Public Welfare Day." The company will continue to carry out charitable work and volunteer public welfare activities in 2023.



■ Charity Donations


2023 marks the fifth anniversary of the establishment of the "GR Public Welfare Fund" and the "GR Public Welfare Day." The GR Charity Public Welfare Gala was successfully held on June 20th. Chairman Lin Haichuan shared the theme "Spreading Love, Realizing Dreams, and Promoting Goodness on the GR Charity Journey" and shared his firsthand experience of public welfare stories in Jiulong County, Ganzi, Sichuan Province, which strengthened his determination to engage in public welfare and advocated for more people to pay attention to and participate in charitable causes.

Great love endures; Good deeds benefit the world
You contribute a bit, and I contribute a bit
Small amounts add up to large sums, and grains of sand form a tower
GR Public Welfare Day
It's not just a spirit
It is also an action
You may forget that you unintentionally helped others
But those who have been helped will never forget in their lifetime
No matter where you are
Your love has reached a thousand miles away
Let's take action together
Bringing together the mighty power of charity and public welfare
For those in need of help
Bring love and hope



2023 GR Public Welfare Charity Gala

Fujian Gangfeng Energy supports the development of education and made donations to Huian Dongzhou Middle School; Taicang Power Shell Petrochemical Co., Ltd. supports the development of charity causes and has made donations to the Taicang Charity Federation
 Changshu GR supports the development of charitable causes and has made donations to the Changshu Charity Federation
 Lishadao Base contributes to rural revitalization by donating to the Shatian Charity Association of Dongguan City
 Taicang Power Shell Petrochemical Co., Ltd. and its employees uphold the spirit of moral exemplars, and made donations to the recipients of the "Good Chinese" title in Taicang City
 Nantong Power Shell Petrochemical Co., Ltd. cares for its employees and donates to employees in need
 The Nantong base supports the development of charitable causes and has made donations to the "Charity Promotion Month and One-Day Donation" event
 Taicang Power Shell Petrochemical Co., Ltd. employees support the development of charitable causes and made donations to the "Taicang Charity Day Donation" event
 Taicang Power Shell Petrochemical Co., Ltd. supports the development of education and made donations to students in need in the community

 In 2023, the company's total charitable donations amounted to **1.6644** million RMB.

■ Public Welfare Activities

Dedication, love, mutual assistance, and progress are the essence of the spirit of volunteer service in this era. "GR Public Welfare Day" spreads love, and each of the company's subsidiaries organizes volunteers to carry out various public welfare activities. Let the seed of public welfare in the heart of every GR person take root, sprout, and bear the fruit of love.



Fire Safety:
Engaging with the Community



Taking Action for a
Journey of Love



Helping the Needy, Supporting
Education, Dedicating with Love



Protecting the Environment,
Embracing Green and Clean



Bringing Cool Relief in Summer,
Showing Heartwarming Care



Connecting Hearts on Dragon
Boat Festival, Caring for the Elderly

Appendix | Annual Performance

■ Governance

General Meeting of Shareholders

Number of Shareholders (as of 31 Dec, 2023)	10,111
Number of General Meetings of Shareholders	10 times
Number of Resolutions Passed	48
Total Number of Participants in Meetings	210 people

Board of Directors

Number of Board of Directors' Members	7 people
Number of Independent Directors	3 people
Remuneration for Independent Directors	100,000 RMB/year
Number of Board of Directors' Meetings	13 times
Number of Resolutions Approved by the Board of Directors	90
Number of Meetings of Special Committees of the Board of Directors	22 times
Number of Resolutions Approved by Special Committees of the Board of Directors	67
Average Attendance Rate	100%

Board of Supervisors

Number of Board of Supervisors' Members	3 people
Number of Female Supervisors	2 people
Number of Board of Supervisors' Meetings	13 times
Number of Resolutions Passed	63
Average Attendance Rate	100%

Information Disclosure

Number of Disclosure Documents	311
Number of Violations and Penalties	0 times

Investor Communication

Number of Investor Site Visits	53 times
Number of Investors Received for On-site Research	261 people
Number of Disclosures of Investor Relations Activity Records	56
Number of Interactions with Investors on Interactive Platform	32 times
Investor Question Response Rate	100%

Compliance

Total number of violations.	0 times
Total amount of fines for non-compliance incidents	0 yuan

Business Ethics

Anti-corruption reporting incidents	0
Anti-corruption training sessions	59
Number of people trained by anti-corruption sessions	185 people
Employee "Anti-corruption Commitment" signing rate	100%
Supplier integrity practice clause signing rate	100%

Financial Data

Operating Income	1,547.07 million RMB
Earnings Before Interest, Taxes, Depreciation, and Amortization	1,138.45 million RMB
Net Profit	296.34 million RMB
Basic Earnings Per Share	0.65 RMB/share
Total Tax Amount	175.65 million RMB
Cash Dividend Amount	115.07 million RMB

■ Service

Customer satisfaction score (terminal storage tank segment)	96.76 points
Customer satisfaction score (chemical warehouse segment)	97.52 points
Number of major customer complaints throughout the year	0
Customer complaint handling rate	100%
Rectification rate of key improvement items in customer service	100%
Number of customer privacy leak incidents	0

R&D investment	53.46 million yuan
Number of R&D personnel	233 people
Percentage of R&D personnel in total workforce	13.45%
R&D investment as a percentage of operating revenue	3.46%
Number of patents	130
Number of software copyrights	25
Number of trademarks	8

■ Environment

Electricity consumption	36.40 million kWh
Nitrogen consumption	12,000 tons
Steam consumption	50,000 tons
Tap water consumption	511,000 tons
Wastewater treated by sewage station	98,100 tons
Reclaimed water recycled	23,300 tons
VOCs emission reduction	464.24 tons
Comprehensive compliance rate of waste gas treatment	100%
Compliance rate of solid waste disposal	100%
Proper disposal rate of hazardous waste	100%

Number of soil inspections	4 times
Number of sudden major environmental incidents	0
Number of times subject to major administrative penalties or criminal liability	0
Environmental emergency response drills	37 times
Number of subsidiaries with ISO14001 environmental management system certification	9 bases/ storage areas
Number of subsidiaries certified for cleaner production	4
Number of subsidiaries rated as green ports (three-star level)	3
Number of environmental protection patents	24
Environmental education and publicity activities	21 times
Environmental protection and public welfare activities	2 events



Society

Supplier Management

Number of suppliers	175 companies
Number of suppliers within Guangdong province	22 companies
Number of suppliers whose cooperation was suspended due to non-compliance	1
Number of potential suppliers rejected due to non-compliance	2

Safety

Number of emergency drills conducted	151 times
Number of participants in fire drills	2,513 people
Number of safety training sessions	386 times
Number of participants in safety training	16,207 people
Number of hidden danger inspections	295
Number of hidden dangers identified	1,567
Rectification rate of hidden dangers by deadline	100%
Number of work-related fatalities	0
Employee physical examination coverage rate	100%

Labor Regulations

Number of child labor found during the reporting period	0
Number of forced labor found during the reporting period	0
Labor contract signing rate	100%
Social insurance coverage rate	100%
Number of employees covered by collective bargaining agreements (total number at the end of the period)	1,732 people



Number of Employees

Total number of employees	1,732 people
Total number of female employees	460 people
Total number of male employees	1,272 people
Short-term contract/part-time employees (interns)	8 people
Full-time junior staff (entry-level management)	1,494 people
Full-time middle management	137 people
Full-time senior management	101 people
Total number of employees under 30 years old	327 people
Total number of employees aged 30-50	1,119 people
Total number of employees over 50 years old	286 people
Total number of employees in the northern China region	24 people
Total Number of Employees in the Eastern Region	1,242 people
Total number of employees in the southern region	466 people
Proportion of executives employed from local communities	40.73%

Employee Turnover

Overall turnover rate of employees	1.65 percent
Turnover rate of female employees	1.24 percent
Turnover rate of male employees	5.71%
Turnover rate of employees under 30	4.12%
Turnover rate of employees aged 30-50	12.62%
Turnover rate of employees over 50	0.28 percent
Turnover rate of employees in the North China region	3.23%
Turnover rate of employees in the East China region	2%
Turnover rate of employees in the southern region	0.63%

New Employees

Number of new employees	155 people
Newly recruited male employee	132 people
Newly recruited female employee	23 people
Under 30 years old	89 people
30-49 years old	64 people
50 years and above	2 people

Mobile Employee

Number of mobile employees	213 employees
Mobile male employee	174 people
Mobile female employee	39 people
Under 30 years old	96 people
30-49 years old	89 people
Above 50 years old (including 50 years old)	28 people

Employee Benefits

Welfare expenses	10,958,100 yuan
Number of employees enjoying maternity leave	16 people
Return-to-work rate after employee maternity leave	100%
Number of participants in "Gratitude 100%"	1,106 people
Number of participants in "Family Journey"	248 people
Number of beneficiaries of "Employee Assistance Fund"	5 people



Remuneration

Median annual total salary for all employees	125,500 yuan
Median annual total salary growth percentage for all employees	3.22%
Total annual basic salaries and compensation for female employees	42,070,900 yuan
Total annual basic salaries and compensation for male employees	194,665,700 yuan

Development and Training

Average training hours per female employee	34 hours
Average training hours per male employee	60 hours
Average training hours per short-term contract/part-time employees (interns)	7 hours
Average training hours per full-time junior employee (grassroots, basic management)	62 hours
Average training hours per full-time middle management	32 hours
Average training hours per full-time senior management	24 hours
Amount invested in occupational training	929,607 yuan
Compliance awareness-related training	22 hours
Safety drill-related training	20 hours
Occupational health and safety-related training	6 hours
Environmental awareness-related training	5 hours

Social Welfare

Total public welfare donations	1,664,400 yuan
Number of public welfare activities held	192 hours
Number of employee participations in public welfare activities	323 people
Members of the employee volunteer team	120 people
total time of service by volunteer team	14,059 hours

Appendix | GRI Index



Instructions

Guangdong Great River Smarter Logistics Co., Ltd. reported the information referenced in this GRI Content Index according to the GRI standards from January 1, 2023 to December 31, 2023.



GRI 1 Used

GRI 1 Foundation 2021

GRI Standards	Disclosure Item	Chapter
GRI 2: General Disclosures 2021		
1. Organization and reporting practices	2-1 Organizational details	Report Compilation Instructions
	2-2 Entities included in the organization's sustainability reporting	Report Compilation Instructions
	2-3 Reporting Period, frequency and contact point	Report Compilation Instructions
	2-4 Restatement of Information	The Company did not restate any information during the reporting period.
2. Activities and workers	2-6 Activities, value chain and other business relationships	Message from Chairman; About GR
	2-7 Employees	Employee Growth
	2-8 Workers who are not employees	Appendix Annual Performance - Number of Employees
	2-9 Governance structure and composition	Sustainable Development Management; Standardizing Corporate Governance
3. Governance	2-10 Nomination and selection of the highest governance body	Standardizing Corporate Governance
	2-11 Chair of the highest governance body	Standardizing Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management; Standardizing Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Sustainable Development Management; Standardizing Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Management
	2-15 Conflict of Interest	Please refer to the annual report for the year 2023 of our company.
	2-16 Communication of critical concerns	Sustainable Development Management
	2-17 Collective knowledge of the highest governance body	Sustainable Development Management
	2-18 Evaluation of the performance of the highest governance body	Sustainable Development Management; Standardizing Corporate Governance
	2-19 Remuneration policies	Standardizing Corporate Governance
	2-20 Process to determine remuneration	Standardizing Corporate Governance; Employee Growth

4. Strategy, policies and practices	2-22 Statement on sustainable development strategy	Message from Chairman; Sustainable Development Management
	2-23 Policy commitments	Business Ethics Practice; Employee Growth
	2-24 Embedding policy commitments	Business Ethics Practice; Responsible Supply Chain
	2-25 Processes to remediate negative impacts	Business Ethics Practice
	2-26 Mechanisms for seeking advice and raising concerns	Sustainable Development Management
	2-27 Compliance with laws and regulations	Risk and Compliance; Appendix Annual Performance - Compliance
	2-28 Membership associations	About GR
	5. Stakeholder engagement	2-29 Approach to stakeholder engagement
2-30 Collective bargaining agreements		Employee Growth
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainable Development Management
	3-2 List of material topics	Sustainable Development Management
	3-3 Management of material topics	Sustainable Development Management; see the table below for specific management methods for each topic.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Please refer to the 2023 annual report of the company
	201-2 Financial implications and other risks and opportunities due to climate change	Responding to Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Employee Growth
	201-4 Financial assistance received from government	Please refer to the 2023 annual report of the company
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investment and support services	Building a harmonious society
	203-2 Significant indirect economic impacts	Building a harmonious society
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible supply chain; Appendix Annual Performance - Supplier Management
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics Practice
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics Practice; Responsible Supply Chain
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics Practice
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics Practice
GRI 207: Tax 2019	207-1 Approach to tax	Risk and Compliance
	207-2 Tax governance, control, and risk management	Risk and Compliance
	207-3 Stakeholder engagement and management of concerns related to tax	Risk and Compliance

GRI 302: Energy 2016	302-1 Energy consumption within the organization	Appendix Annual Performance - Environmental
	302-3 Energy intensity	Appendix Annual Performance - Environmental
	302-4 Reduction of energy consumption	Improving Environmental Management
	302-5 Reductions in energy requirements of products and services	Improving Environmental Management

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Improving Environmental Management
	303-2 Management of water discharge-related impacts	Improving Environmental Management
	303-3 Water withdrawal	Improving Environmental Management
	303-4 Water discharge	Improving Environmental Management; Appendix Annual Performance - Environmental
	303-5 Water consumption	Improving Environmental Management; Appendix Annual Performance - Environmental

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Improving Environmental Management
	304-2 Significant impacts of activities, products and services on biodiversity	Improving Environmental Management

GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Responding to Climate Change
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Improving Environmental Management; Developing Green Storage and Transportation; Appendix Annual Performance - Environmental

GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Improving Environmental Management
	306-2 Management of significant waste-related impacts	Improving Environmental Management
	306-3 Waste generated	Improving Environmental Management
	306-4 Waste diverted from disposal	Improving Environmental Management
	306-5 Waste directed to disposal	Improving Environmental Management

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain

GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Growth; Appendix Annual Performance - Number of Employees; Appendix Annual Performance - Employee Turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Growth; Annex Annual Performance - Employee Benefits
	401-3 Parental leave	Appendix Annual Performance - Employee Benefits

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Strengthening Safety Management
	403-2 Hazard identification, risk assessment, and accident investigation	Strengthening Safety Management
	403-3 Occupational health services	Strengthening Safety Management
	403-4 Worker participation, consultation, and communication on occupational health and safety	Strengthening Safety Management

GRI 404: Training and Education 2016	403-5 Worker training on occupational health and safety	Strengthening Safety Management
	403-6 Promotion of worker health	Strengthening Safety Management
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Strengthening Safety Management
	403-8 Workers covered by an occupational health and safety management system	Strengthening Safety Management
	403-9 Work-related injuries	Strengthening Safety Management; Appendix Annual Performance - Safety
	403-10 Work-related ill health	Strengthening Safety Management; Appendix Annual Performance - Safety
	404-1 Average hours of training per year per employee	Employee Growth
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Growth
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Growth

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Standardizing Corporate Governance; Employee Growth
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GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Growth
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GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Growth
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GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Growth; Appendix Annual Performance - Labor Regulations
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GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee growth; Appendix Annual Performance - Labor Regulations
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Building a harmonious Society
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GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain

GRI 416: Client Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Delivering Quality Services; Strengthen Safety Management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Delivering Quality Services; Strengthen Safety Management

GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Delivering Quality Services
	417-2 Incidents of non-compliance concerning product and service information and labeling	During the reporting period, Guangdong Great River Smarter Logistics Co., Ltd. did not have any incidents of non-compliance related to product and service information and labeling.
	417-3 Incidents of non-compliance concerning marketing communications	During the reporting period, Guangdong Great River Smarter Logistics Co., Ltd. did not have any incidents of non-compliance related to marketing communications.

GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Delivering Quality Services
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Appendix | Definitions

Definition Entry	refers to	Definition Content
Company, GR	refers to	Guangdong Great River Smarter Logistics Co., Ltd.
Dongguan Evergrowing Terminal	refers to	Dongguan Evergrowing Terminal Co., Ltd. is a wholly-owned subsidiary company
Dongguan Great River Petrochemical Terminal	refers to	Dongguan Great River Petrochemical Terminal Co., Ltd., a wholly-owned subsidiary of the company
Dongguan Great River Petrochemical Terminal	refers to	Dongguan Great River Petrochemical Terminal Co., Ltd., a wholly-owned subsidiary of the company
Lishadao Base	refers to	Including Dongguan Evergrowing Terminal, Dongguan Great River Petrochemical Terminal, Dongguan Great River Petrochemical Terminal
Zhongshan Hongchuan	refers to	Hongchuan Petrochemical Storage Co., Ltd., a wholly-owned subsidiary of Dongguan Evergrowing Terminal in Zhongshan City
Taicang Power Shell Petrochemical	refers to	Taicang Power Shell Petrochemical Co., Ltd., a wholly-owned subsidiary of the company
Jiangsu Changjiang Petrochemical	refers to	Jiangsu Changjiang Petrochemical Co., Ltd. is a partially-owned company of Nantong Power Shell Petrochemical Co., Ltd
Nantong Power Shell Petrochemical	refers to	Nantong Power Shell Petroleum Logistics Co., Ltd., a wholly-owned subsidiary of the company
Nantong Hongzhi Logistics	refers to	Nantong Hongzhi Chemical Logistics Co., Ltd., a wholly-owned subsidiary of Nantong Power Shell Petrochemical Co., Ltd
Nantong Great Smart, Nantong Yilian	refers to	Nantong Great Smart Petrochemical Terminal Co., Ltd.(the original name was Yilian Energy (Nantong) Co., Ltd.) is a wholly-owned subsidiary company of Nantong Power Shell Petrochemical Co., Ltd
Nantong Base	refers to	Including Nantong Power Shell Petrochemical Co., Ltd., Nantong Great Smart, and Nantong Hongzhi Logistics
Changzhou Great River	refers to	Changzhou Great River Petrochemical Terminal Co., Ltd. is a subsidiary holding company of Taicang Power Shell Petrochemical Co., Ltd
Changshu Great River	refers to	Changshu Great River Petrochemical Terminal Co., Ltd. is a wholly-owned subsidiary company of Taicang Power Shell Petrochemical Co., Ltd
Changshu Great Smart	refers to	Changshu Great Smart Petrochemical Terminal Co., Ltd. is a wholly-owned subsidiary company of Taicang Power Shell Petrochemical Co., Ltd
Changshu Base	refers to	Including Changshu Great River, Changshu Great Smart
Fujian Gangfeng Energy	refers to	Fujian Gangfeng Energy Co., Ltd. is a holding subsidiary company
Nanjing Great River	refers to	Nanjing Great River Petrochemical Terminal Co., Ltd. is a subsidiary holding company
Ningbo Ningxiang	refers to	Ningbo Ningxiang Liquid Chemicals Terminal Co., Ltd. is a subsidiary joint venture company
Weifang Great River	refers to	Weifang Great River Liquid Chemicals Terminal Co., Ltd.
Rizhao Great River	refers to	Rizhao Great River Warehousing & Logistics Co., Ltd. is a subsidiary holding company of Dongguan Evergrowing Terminal Co., Ltd
Cangzhou Great River	refers to	Cangzhou Great River Warehousing & Logistics Co., Ltd., a subsidiary of Nantong Power Shell Petrochemical Co., Ltd
Chengdu Great Smart Warehousing	refers to	Chengdu Great Smart Warehousing Co., Ltd. is a wholly-owned subsidiary company
Ningbo Chenling	refers to	Ningbo Chenling Liquid Chemical Storage Co., Ltd.
General Meeting of Shareholders	refers to	General Meeting of Shareholders of Guangdong Great River Smarter Logistics Co., Ltd.
Directors or Board of Directors	refers to	Directors or Board of Directors of Guangdong Great River Smarter Logistics Co., Ltd.
Supervisors or Board of Supervisors	refers to	Supervisors or Board of Supervisors of Guangdong Great River Smarter Logistics Co., Ltd
HSE	refers to	The abbreviation for Health, Safety, and Environment is HSE, which stands for Health, Safety, and Environment
Yuan, ten thousand yuan	refers to	Chinese Renminbi yuan, ten thousand yuan

Appendix | Feedback Form

Dear readers,

We appreciate your time in reviewing this report. In our effort to enhance our sustainable development work at Guangdong Great River Smarter Logistics Co., Ltd. , we aim to gain a comprehensive understanding of your expectations and needs. Through this survey, we strive to continuously elevate the standard of our sustainable development efforts. We cordially invite you to take part in the survey. Your perspectives and insights are vital to us. We truly value your insightful feedback and suggestions!

Please indicate your choice by marking a √ in the appropriate space.

1. Which of the following identities most accurately represents you for Macro Wisdom?

- government or regulatory agency personnel
 shareholders, investors
 customers
 employees
 supplier
 partner (industry partner/media organization/NGO, etc.)
 community residents

2. Are you generally pleased with this year's report?

- Extremely Satisfied
 Satisfied
 Neither Satisfied nor Dissatisfied
 Dissatisfied
 Extremely Dissatisfied

3. Has the information that interests you been accurately represented in this report?

- Fully reflected
 Mostly reflected
 Partially reflected
 Minimally reflected
 Not reflected

4. What are your thoughts on the layout and presentation of the report?

- Outstanding
 Above Average
 Average
 Below Average
 Unsatisfactory

5. What are your expectations for GR regarding sustainable development efforts?

- Develop a long-term sustainable development plan
 External communication is being carried out extensively.
 Enhance the establishment of institutions for sustainable development management.
 Incorporate the evaluation of sustainable development performance into management assessments.
 Other (please specify)



You are welcome to share your feedback through the following means:

Email: grsl@grgroup.cc

Phone: 0769-88002930

Address: 4th Floor, Building 1, Songke Yuan, No. 4 Libin Road, Songshan Lake High-tech Industrial Development Zone, Dongguan City