Report Description

This is the 2022 Environmental, Social and Governance Report (hereinafter referred to as "**ESG Report**") of SF Intra-city, which is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* ("**Reporting Guide**") of Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. During the preparation of the ESG Report, the Group adhered to the principles of "Materiality", "Quantitative", "Balance" and "Consistency" in the Reporting Guide.

The ESG Report is prepared through researching and interviewing the Company's stakeholders, identifying the ESG-related major issues of concern to stakeholders, understanding opinions of stakeholders, determining the materiality of the issues, deciding the disclosure scope of the ESG Report, collecting related materials and data, reviewing the materials and data, preparing the ESG Report based on the related materials and data collected, and was reviewed and approved by the Board of Directors. It is recommended to read the part on governance in conjunction with the "Corporate Governance Report" section contained in the 2022 Annual Report of the Company.

The period of this Report ranges from January 1, 2022 to December 31, 2022, with some references to previous years or 2023. Unless otherwise specified, the scope of this Report is the same as that of the Company's 2022 Annual Report, which includes the Company and its subsidiaries.

Statement of the Board

The Board of Directors attaches great importance to its sustainable development in the ESG fields, and has established a three-level ESG governance structure, forming a practical closed-loop management system from decision-making, communication, and implementation to assessment and reporting.

The Board of Directors is responsible for SF Intra-city's overall ESG management, including: (i) deciding the Company's ESG development direction and strategies; (ii) identifying, assessing and managing material ESG risks related to the Company's business; (iii) regularly listening to the briefings from the ESG leadership team or other relevant management; (iv) reviewing and approving the Company's ESG related management policies, etc.

The Company has set key ESG targets in compliance with the listing rules and in consideration of business operation. The Board of Directors has reviewed and discussed the setting of targets, and will regularly review the progress of achieving relevant targets.

This Report discloses the aforementioned ESG-related matters in detail, and was reviewed and approved by the Board on March 28, 2023.

Corporate Culture

Mission — Bring enjoyable lifestyle to your fingertips

Vision — High-quality, High efficiency and Multi-scenario third-party on-demand delivery platform

Talent philosophy — Appreciate highly motivated people. Being positive, optimistic, focused and rising to challenges

Business philosophy — Do right things with long-term value. Serve customers while being dedicated to the success of employees

Values — Being equal and respectful, openness and communication, entrepreneurship and innovation, professionalism and dynamics are the core principles that SF people will always adhere to

Environmental, Social and Governance Report

Highlights of the Year

Highlights of ESG Performance

Governance:

- Striving to improve its corporate governance and diversity. One female Independent Non-executive Director was newly appointed, raising the proportion of females in Directors, Supervisors and Senior Management[1] to 27%.

- Adhering to the principle of "zero tolerance" for corruption. The signing rate of the *Letter of Commitment to Anti-corruption* by second- and third-line employees reached 100%.

- Strengthening the construction of network information security. The Company passed the ISO 27001 Information Security System certification, with 100% coverage of staff training on cybersecurity and information security.

Services:

- Quality, efficient and stable fulfillment. The fluctuation of fulfillment-in-time rate during holidays and bad weather were less than 2.5% and 4.0%, respectively.

- End-to-end management and improving user experience. All of the consumer complaints were handled in a proper and timely manner and the customer complaints per million orders was improved.

- Clean, transparent and green procurement. The signing rates of supplier integrity agreement and supplier social responsibility clauses both reached 100%.

Society:

- 100% employee labour contract signing rate. Launched a one-stop online learning platform "Intra-city Academy" with a staff training coverage of 99%.

- Created a warm and friendly career platform with sustainable development opportunities for riders.

- Delivered social value and actively interacted with local communities in scenarios such as community service, elderly care and anti-pandemic support.

Environment:

- Green delivery capacity. 95% of riders fulfilled orders via electric two-wheeled vehicles or public transportation, covering more than 90% of capacity scenarios.

- Energy conservation and emission reduction. The GHG emission intensity, office electricity and water intensity, as well as office waste intensity were all lower than those of 2021, achieving the environmental target of 2022.

---

[1] Including directors, supervisors and senior management as defined in the Company Law of the People's Republic of China.

Honors & Awards

Fields	Awards
Excellent Services	• 2022 CYZONE "Quality Technology Service Provider for Logistics Digitalization and Intelligence", "Logistics data broker" • 2022 JRJ "Outstanding Digital Intelligence Application Innovation Award" • 2022 China Intra-city On-demand Delivery Industry Summit "Technology Innovation Award" • 2022 Reassurance Award "Annual On-demand Logistics Platform" • 2022 China Federation of Logistics and Purchasing "Social Responsibility pioneer of China's Logistics Industry"
Capital market recognition	• 2022 Gelonghui "Annual Large Market Cap Growth Value Award" • 2022 Hithink RoyalFlush (同花順) "Best Investor Relations Management Award" • 2022 Tiger Brokers "Best Investor Companion Award", "Best Investor Interaction Award" • 2022 IRSC "Best Shareholder Relations Award" • 2022 Futu "Capital Market Communication Innovation Team" • 2022 National Business Daily "Overseas Listed Company with Most Growth Potential"

Management of Sustainability

Based on the brand proposition of "delivery with warmth and professionalism", the Company upholds the sustainability principle and actively assumes its social responsibility. By establishing a well-performing ESG governance structure, identifying key issues, and maintaining good communication with stakeholders on a regular basis, the Company gradually improves ESG management. In the meanwhile, as the largest third-party on-demand delivery service provider[2] in China, we hope to bring more extensive value creation and fulfill our responsibilities to shareholders, employees, riders, partners and other stakeholders.

Communication with Stakeholders

The Company highly values the voices of stakeholders, and has established a normalized, diversified and targeted communication mechanism to collect the opinions of stakeholders, to review their concerns, and use their expectations and requirements as an important basis for the continuous improvement of the Company's ESG management, thereby strengthening the sustainability of the Company.

The Company are committed to actively conveying our values to the market in an ongoing manner, and actively communicates with stakeholder in various means through a combination of "online + offline" forms to ensure efficient communication.

Stakeholder	Concerns	Means of communication	Response Measures
Shareholder and Investors	• Corporate governance • Business ethics and anti-corruption • Risk management • Compliance operation • Safe delivery • Data security and privacy protection • Provide high-quality products and services	• Information disclosure • Shareholders' general meeting • Roadshow events • Investor Summit • Investor official website, hotline, email • On-site and online research	• Ensure information disclosure and compliance operation, and expand information dissemination channels • Organize and participate in different types of investor events • Maintain good communication and relationship with shareholders • Improve the internal corporate governance system

---

[2] Such ranking is based on independent third-party order volume in China in 2022, according to iResearch. The calculation of order volume takes into account the number of orders sourced independently by the market players, excluding orders from related parties.

Stakeholder	Concerns	Means of communication	Response Measures
Employee	• Employee health and safety management • Talent attraction and retention • Staff training and development • Employee rights and welfare	• Internal OA platform • Employee satisfaction survey • Training activities • Employee labor union	• Safeguard the rights of employees in accordance with the law • Improve talent promotion and remuneration mechanism • Actively carry out various types of training • Implement diversified employee benefits
Customer	• Safe delivery • Data security and privacy protection • Provide high-quality products and services • Customer communication and customer complaint management	• Customer satisfaction survey • SF Intra-city APP, official website, hotlines and other online channels • Customer communication and customer service	• Provide safe, quality and efficient services • Improve customer complaint and claim processes • Optimize user experience
Riders	• Safe delivery • Riders' health and rights protection	• Rider satisfaction survey • Rider APP • Online forum, hotline • Rider care activities • Training activities	• Provide flexible income opportunities • Guarantee the legal rights of riders • Create a warm community of riders • Build online and offline communication channels
Supplier and business partner	• Provide high-quality products and services • Business ethics and anti-corruption • Supply chain symbiosis and win-win • Promote green packaging	• Cooperation agreements • Field visit • Daily communication	• Make transparent procurement to eliminate corruption • Procure one-on-one signing of cooperation agreements, social responsibility agreements and integrity agreements • Conduct regular site visits and qualification audits
Government/ regulatory authorities	• Compliance operation • Data security and privacy protection • Business ethics and anti-corruption • Social welfare • Tackling climate change • Improve energy efficiency • Save water resources	• Information disclosure • Special research	• Operate in accordance with laws and regulations • Actively assume corporate social responsibility • Cooperate with the government in its work
Industry associations/ media/public	• Technology innovation • Social welfare • Promoting local communities' development • Promoting green packaging • Tackling climate change	• Information disclosure • Establish communication and interaction mechanisms • Participate in the compilation of industry white paper, the discussion and research of industry systems and standards	• Participate in government-organized research and seminars • Participate in forums, summits and other industry exchange activities • Actively cooperate with all parties

Table: Stakeholder Communication Form

Determination of Materiality Issues

To further clarify our ESG management focuses and timely response to stakeholders' concerns, the Company collects feedback from multiple parties through online questionnaires, and on-site/telephone interviews, etc., and has established an ESG issue database with a total of 21 issues as an important basis for the Company's ESG management and information disclosure, which includes 9 highly important issues. In the future, we will continue to follow up on the concerns of various stakeholders based on the Company's ESG materiality issue matrix to ensure that the ESG-related materiality issues can truly reflect the Company's current condition.

Issue identification	Taking into account the company's business model, policies, capital markets, disclosure standards, industry benchmarks, as well as the opinions of various stakeholders, a comprehensive review was conducted to identify the important ESG issues related to the Company.
Stakeholder survey	We conducted a questionnaire survey to both internal and external stakeholders including shareholders/investors, management team, riders, customers, suppliers etc., to fully understand the ESG-related issues of the Company that were focused on by all parties.
Issue assessment	Based on the stakeholder survey results, the Company analyzed and ranked ESG issues from the two dimensions of "importance to corporate development" and "importance to stakeholders" according to the substantive principle, forming a matrix of materiality issues.
Review and confirmation	The materiality issues and their ranking were reviewed by the Board, and were deliberated by external experts with corresponding recommendations to ensure that the materiality issues can truly reflect the characteristics of the industry and the Company.

Figure: Process for identifying materiality issues

SF Intra-city 2022 Environmental, Social and Governance Report Materiality Issues Matrix

High

Issues with high importance

Issues with moderate importance

- Compliance operation
- Delivery service security
- Data security and privacy protection
- Riders' health and rights protection
- Providing high-quality products and services
- Risk management
- Business ethics and anti-corruption
- Corporate governance
- Customer experience and customer complaint management
- Employee health and safety management
- Employee rights and welfare
- Talent attraction and retention
- Employee training and development
- Supply chain symbiosis and win-win
- Social welfare

Issues with general importance

- Technology innovation
- Promoting green packaging
- Promoting local communities' development
- Enhancing energy efficiency
- Saving water resources
- Tackling climate change

Importance to external stakeholders

Importance to SF Intra-city — High
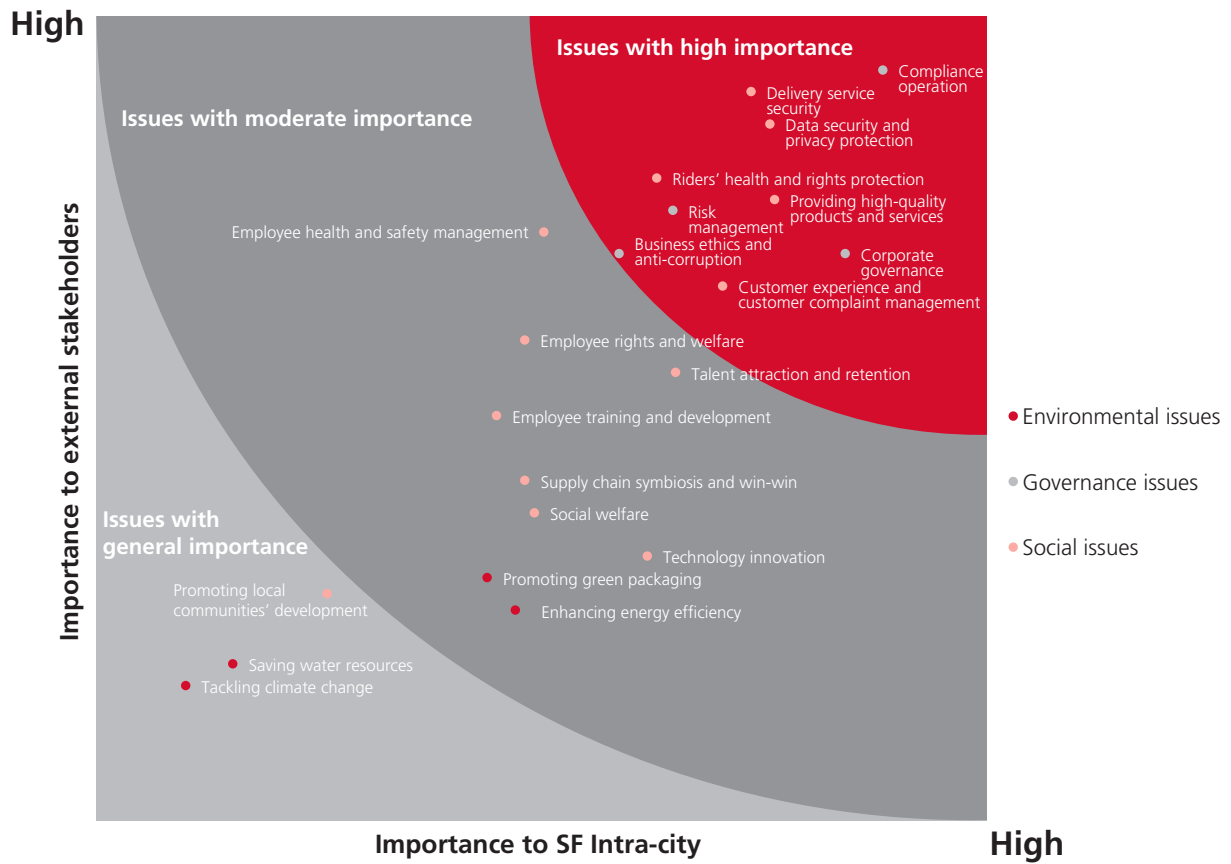
- ● Environmental issues
- ● Governance issues
- ● Social issues

Figure: 2022 Materiality Issues Matrix

Governance: Forging Ahead with Original Aspiration

Related SDGs Goals in this section

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate Governance

A sound corporate governance is an important foundation to ensure the legal and compliant operation of enterprises, to enhance corporate social value, and to safeguard the interests of stakeholders. SF Intra-city strictly complies with the requirements of relevant laws, regulations and normative documents such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the Rules Governing the Listing of Securities on the Stock Exchange, constantly improves the Company's internal corporate governance structure, establishes and refines the Company's internal management and control mechanism, and regulates corporate operations, in a bid to promote the Company's compliance, improve the corporate governance, and protect the long-term interests of shareholders, especially the minority shareholders.

✔ Corporate Governance

Upholding the principle of professionalism, leadership and transparency, SF Intra-city has formed a governance mechanism and governance structure that is scientific and standardized, efficient and balanced with clear division of authority and responsibilities. Through a professional and diversified management team, the Company has conducted comprehensive and effective supervision of its business development and internal governance, and constantly optimized its corporate governance methods, standardized operations, improved internal control mechanisms, and carried out sound corporate governance and disclosure measures, fully safeguarding the interests of shareholders and the Company to ensure its sustainable, long-standing and stable development.

Governance Structure

The Board has established three Board Committees in accordance with the relevant laws and regulations, the Articles of Association, and the code of corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee. All committees are established with specific written terms of reference, which deal clearly with their authority and duties, and are responsible for overseeing the management of the Company's operations and related matters within its duties from multiple aspects. The Board steers and directs the management directly and indirectly through its committees, formulates strategies and supervises its implementation by management, continuously monitors the Company's business and financial performance, formulates, reviews and improves the Company's corporate governance system in an attempt to ensure the soundness of the internal control and risk management system.
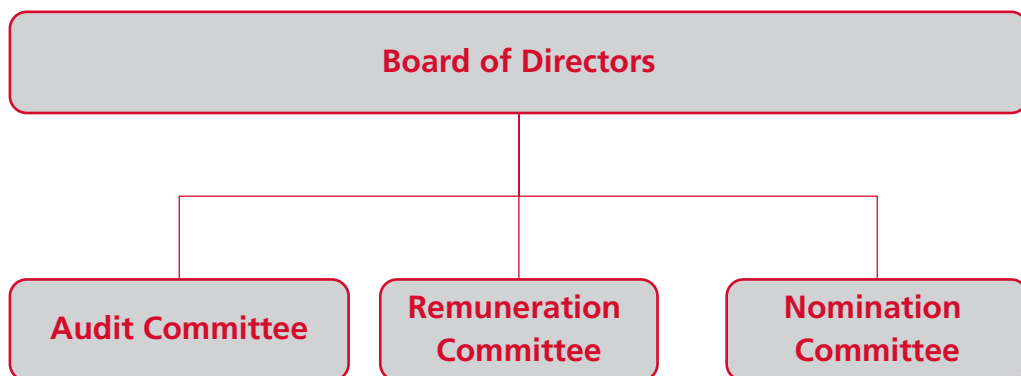
```
                    ┌─────────────────────────┐
                    │   Board of Directors    │
                    └─────────────────────────┘
                                 │
        ┌────────────────────────┼────────────────────────┐
        │                        │                        │
┌───────────────┐      ┌─────────────────┐      ┌─────────────────┐
│     Audit     │      │  Remuneration   │      │   Nomination    │
│   Committee   │      │    Committee    │      │    Committee    │
└───────────────┘      └─────────────────┘      └─────────────────┘
```

Figure: The Governance Framework of the Company

Diversified Directors, Supervisors and Senior Management

To enhance corporate governance, the Company advocates and constantly follows the diversity policy of Directors, Supervisors and Senior Management, and achieved a balanced mix of skills and experience in terms of gender, age, educational background, professional competence, work experience and industry experience, thereby providing a comprehensive perspective, rich views and insights for the effective performance of the Board's duties and facilitating a sound decision-making of the Company.

At present, the Company's Directors, Supervisors and Senior Management are composed of 15 members with extensive experience in logistics, O2O Internet, technology, retail and new consumption, strategic investment, financial management and other fields. During the year, the Company also arranged corresponding training and reading materials in a timely manner to help them enhance their professionality and update their expertise, thus facilitating their performance of duties.

In order to implement the policy of diversity, we appointed one new female independent non-executive director in 2022, increasing the proportion of female directors, supervisors and senior management to 27%, further lifting our gender diversity. In the meantime, the Company is committed to providing good career development opportunities for female employees. To this end, we ensured gender diversity in recruitment, focused on cultivating female employees with long-term experience and outstanding performance in the on-demand delivery industry and business management, and drew upon the talent pool of female executives, directors and supervisors of the Company.

ESG Governance Framework

In accordance with the ESG management guidelines of the Stock Exchange of Hong Kong Limited, the Company has established a three-level ESG governance structure with the Board of Directors as the core and has formed an orderly mechanism of "governance-management-execution" from top to bottom. The Board regularly listens to the ESG leadership group reports, expresses opinions on major issues, supervises and evaluates the Company's ESG management progress and provides recommendations for improvement.

Under the sound governance structure, the Company not only operates its own business efficiently but also constantly improves its ESG-related capacity building and sustainable development, ensuring the effective implementation of ESG issues and contributing to the enhancement of ESG management in the on-demand delivery industry.

Governance: Board of Directors

Composed of members of the Board of Directors
- Review major ESG issues
- Supervise and evaluate the Company's overall ESG management and implementation
- Give advice on the integration of ESG issues into business development
- The Board assumes overall responsibility for the Company's ESG strategy and reporting

Management: ESG Leadership Group

Headed by the Chief Financial Officer and the Secretary of the Board, and the members are senior management from various business groups and functional departments related to ESG issues
- Assist the Board in formulating and reviewing the Company's ESG objectives, and implement the annual work content according to the ESG management objectives
- Identify, evaluate and manage ESG issues
- Lead each executive group to carry out ESG work and monitor its progress
- Summarize ESG work regularly and report to the Board

Executive: ESG Taskforce

Composed of staff from various business groups and functional departments related to ESG issues
- Implement specific ESG-related tasks and promote the achievement of ESG goals
- Collect ESG-related information and data, and prepare the ESG report
- Report work progress to the ESG Leadership Group

Figure: SF Intra-city Sustainability Management Structure

Risk Management

The Company attaches importance to enhancement of risk management and control capabilities. By formulating internal management systems such as the *SF Intra-city Risk Management System, the Implementation Manual for Internal Control of SF Intra-city* and *SF Intra-city Internal Control Evaluation Method*, the Company constantly optimizes its risk management system, conducts an overall internal audit on the full link of its operation, continuously inspects and evaluates its processes, internal risk control matters, timely identifies the deficiencies and weaknesses in internal risk control of each business segment and management process, and thus promotes corresponding rectification to ensure the sound operation and development of the Company.

◤ Risk Management Framework

We have established and continuously refined our risk management framework, formed a normalized risk management operation mechanism to ensure the effective control of risks. The Board of Directors, as the highest authority for risk management, together with the Audit Committee, forms the risk control strategy formulation organization, which is responsible for guiding and developing the risk management strategy. It also manages and supervises the compliance risks and the effectiveness of internal control of the Company. The public affairs department serves as the risk control coordination and management organization, which is responsible for optimizing and managing the risk control system. Management and internal audit team jointly formed the executives of risk management, where management takes action to implement organizational objectives, while internal audit team maintains its independence to inspect and supervise. Specifically, the executives have built a three-line defense management system to implement a risk management system that runs through the whole post and full-process. The Headquarters and regional business departments have formed the first line of defense, which is responsible for products, services and daily risk control. The headquarters' risk control team and internal control team have formed the second line of defense to coordinate, put in place and control internal risk management, and optimized the risk control and internal control system. Auditors functioned as the third line of defense for risk control, independently reviewing the effectiveness of internal controls and reporting issues identified to the Audit Committee.
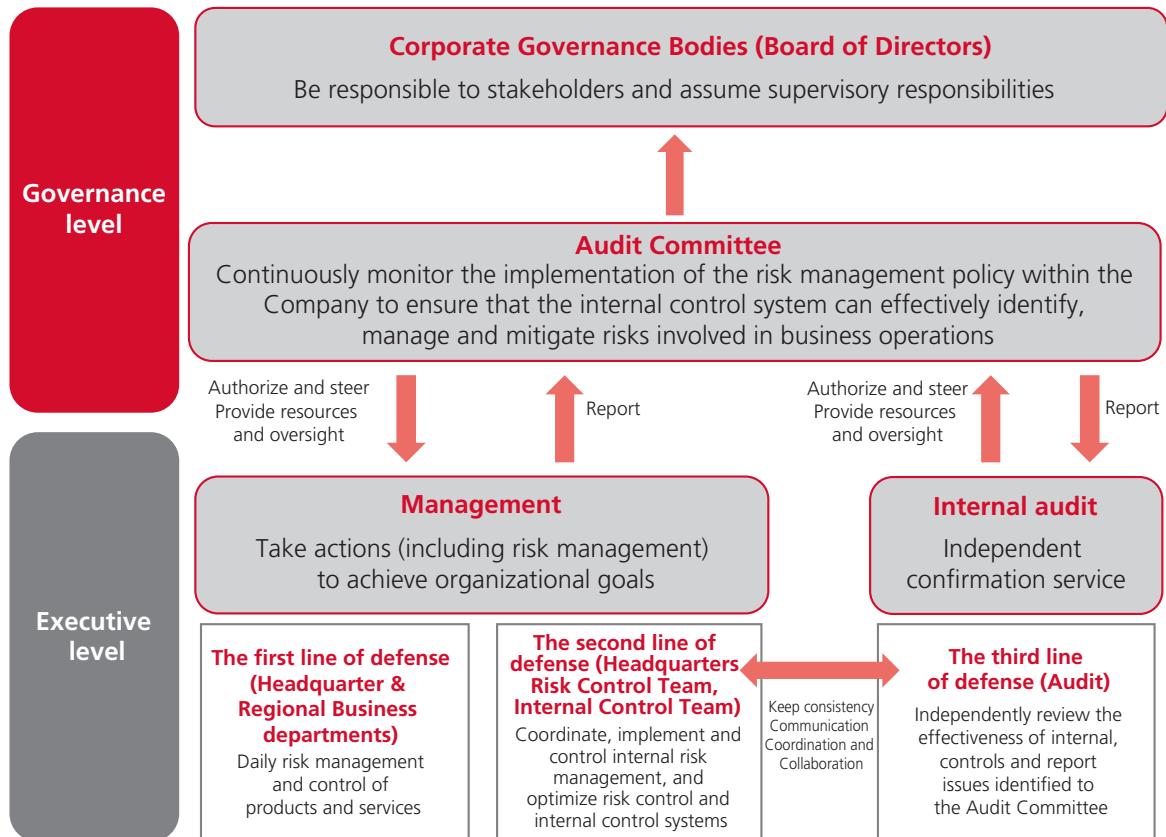

Figure: Risk Management Structure

Risk Management System

The Company keeps furthering the construction and integration of risk management and internal control systems, and builds a "five-in-one" comprehensive risk management system, including the risk management culture system, risk management function architecture, internal control system, risk management information system and risk management supervision and assessment system around the corporate strategic goals. Also, the Company forms a closed-loop of risk management covering risk identification, risk assessment and analysis, risk diagnosis and response, solution implementation, risk rectification and surveillance as well as result reporting, and effectively strengthens risk supervision and control, ensuring the sound operation of the Company.
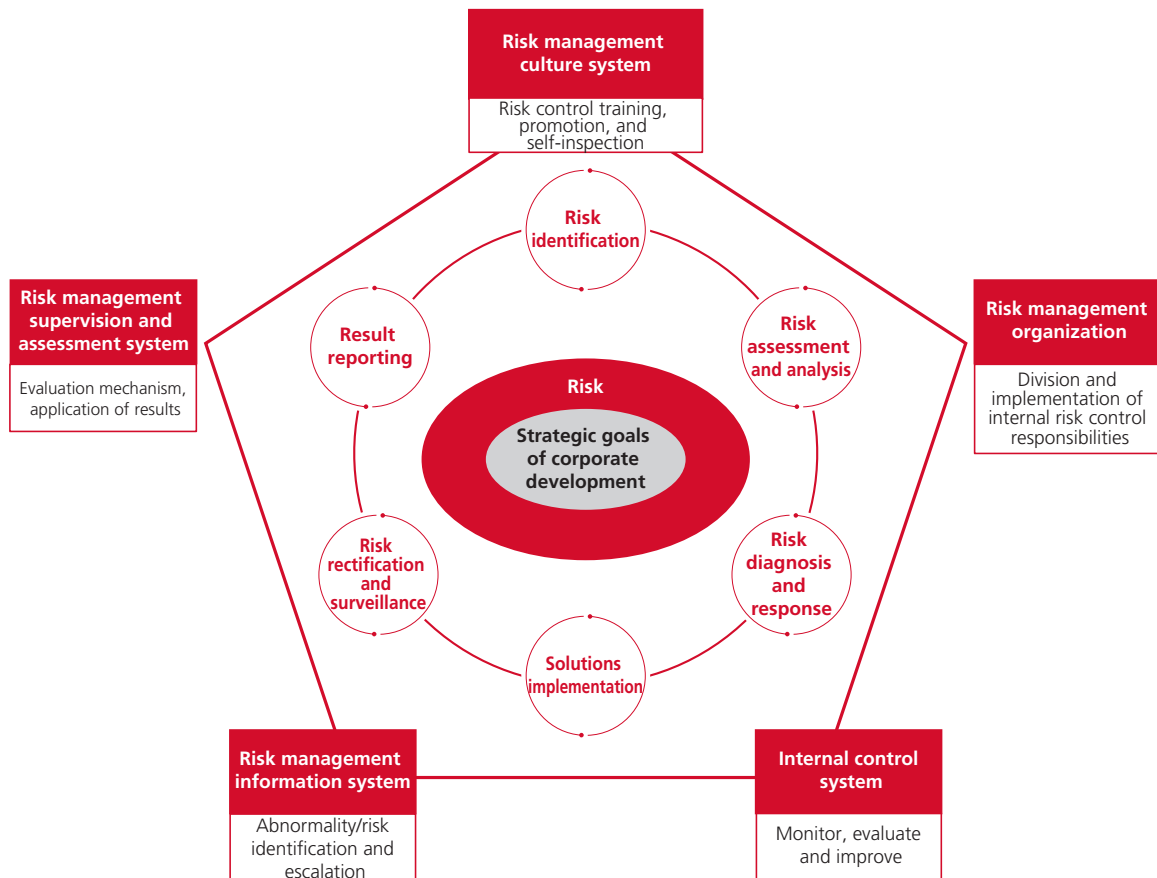
Figure: Risk Management System

In order to identify possible risks in a timely and comprehensive manner and prevent negative events, the Company conducts regular internal control evaluations, internal and external audit, and holds risk management trainings.

- Regular Internal Control Inspection: Several special evaluations on internal control were carried out throughout the year in accordance to the *SF Intra-city Internal Control Inspection and Assessment System*, with a focus on high-risk areas such as rider management, sales, procurement, and capital activities, and no major deficiencies were found.

- Irregular Internal Audit: The Company carried out special internal inspections covering all product lines, business units and business processes from time to time, and made timely alarm regarding the issues spotted during inspection in accordance with the corresponding system, urged the responsible departments to make rectification and supervised its effectiveness.

Environmental, Social and Governance Report

- External Independent Audit: External auditors were engaged by the Company to carry out independent third-party audits semiannually, and risks indicated by the external auditors will be promptly moved to the responsible department and person for rectification.

- Training on Risk Management: The Company provided risk management courses and special training based on the characteristics of key positions, systematically expounded on the requirements of risk control management policies and systems, helped risk managers at all levels enhance risk identification capability and management awareness, and took timely control of risks through internal control and other measures, in a bid to minimize the impact of risks by all means.

Integrity Management System

The Company maintains "zero tolerance" principle to corrupt behaviors. We strictly comply with *the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China* and other applicable laws and regulations. We have formulated *the SF Intra-city Measures for Reporting Management, the SF Intra-city Measures for Anti-Corruption Management,* and *SF Intra-city Measures for Relatives Avoidance Management*, and other internal policies. By these efforts, we incorporate the concept of integrity into every business process, strive to regulate the behavior of all internal employees and external stakeholders, and proactively identify and effectively avoid the risk of commercial bribery and corruption.

Publicity and Training on Integrity

The Company attaches great importance to enhancing the compliance awareness and ability of all employees in anti-corruption and anti-bribery. We actively conduct regular themed trainings on anti-corruption and anti-bribery, publicize applicable policies and codes of conduct, and conduct warnings education with fraud cases, to steadily raise employees' awareness of business ethics and integrity.

The Company has set up an integrity publicity system, and take the initiative in advocating the corporate culture of honesty and integrity to all employees by means such as online integrity courses, anti-corruption induction training for new employees, regular offline audit training and cultural lectures, and emails about integrity to all employees from time to time. During the Reporting Period, 8,414 attendances participated in integrity publicity and education organized by the Company, with a total of 2,236 training hours. Specifically, local delivery outlet managers, an important group of grassroots managers, received a total of 786 hours of training, with a participation rate of 100%. In 2022, 100% employees of the Company signed the Letter of Anti-Corruption Commitment.

During the Reporting Period, there were no corruption lawsuits filed against the Company or its employees.

In the Letter of Anti-Corruption Commitment, employees guarantee when employed, inter alia:

- not to engage in any bribery offering, bribery taking, embezzlement and other improper business practices;

- to refuse on the spot and report to the Company immediately if any entity or individual in business with the Company offers employees or solicits from employees any gift; and

- not to embezzle or misappropriate the Company's or any customer's funds or assets.

✅ Corruption Reporting Management

In order to create a good atmosphere of integrity, the Company encourages employees, suppliers, partners and other stakeholders to monitor the Company's integrity in operations, and requires the relevant informed personnel handling reporting to protect and keep confidential all whistleblowers and incidents reported.

A variety of channels for reporting have been set up. Whistleblowers may report violations, irregularities, frauds and other misbehaviors via the Rider App, email, letter, phone and other means.

Reporting Channels for Non-compliance events		Applicable parties
SF Intra-city Rider App	Rider App – Rider Reporting	Internal employees and external stakeholders such as third parties
Email	sftcjsjubao@sf-express.com	
Hotline	400-188-1888	
Mailing address	Audit Office, 21/F, Shunfeng Headquarters Building, No. 3076 Xinghai Avenue, Nanshan District, Shenzhen, Guangdong Province (Attention)	

The reporting handling procedure has been established according to the *Management Measures on SF Intra-city Reporting Management*. Nowadays, all information related to reporting incidents can be transferred online and all reporting information received by each channel will be aggregated to and processed by the reporting workstation, to improve the efficiency of reporting supervision and case investigation. The Company will take the initiative to contact the whistleblower within one working day after receiving the reporting, decide within a week whether to file a case and conduct investigation. Once a case is filed, the Company will allocate investigation resources by importance and impact of the case, and issue a written investigation report within one month after completing the investigation. After the completion of the investigation, the investigation report together with key evidences will be archived. Besides, any employee who has access to the reported information is required to keep the information confidential. We appoint the head of each organization as the first responsible person for witness protection, who shall take proper measures to protect the witnesses (including the whistleblower), protect by law their legitimate rights and interests, and eliminate any retaliation.

✅ Suppliers' Integrity Code

In terms of integrity management of external cooperation, the Company has formulated and procured suppliers to sign the *Honesty and Integrity Agreement*, which prohibits any form of solicitation, bribery offering, bribery taking and other behaviors against the business ethics. In addition, the Company has stated reporting channels for suppliers in contracts, agreements and bidding documents, so that suppliers can report any irregular behavior if they find any acts affecting fair cooperation or other non-compliance. The Company will work together with external partners to create a clean business environment. During the Reporting Period, 100% suppliers of the Company signed the *Honesty and Integrity Agreement*.

Information Security

✅ Management Structure for Information Security

The Company strictly complies with the *Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China,* the *Personal Information Protection Law of the People's Republic of China*, and other applicable laws and regulations. A three-level information security management structure of "Decision-Management-Implementation" based on the requirements of ISO 27001 standard has been built, to manage comprehensive information security from three dimensions: network security, information security and data security. We have kept reinforcing information security management, in order to reduce the risk of data leakage and abuse, and guarantee the privacy security of customers and partners.

For this purpose, the Company has established the Information Security Decision-making Committee as the top governing body, responsible for information security decisions, appointments or instructions. The Information Security Team of Technology Center shall be responsible for the daily management and monitoring of information security, coordinating cross-departmental work, and organizing and implementing various information security work and information security training guidance of the Group. Officers in charge of information security in each business department shall supervise and confirm the information security management of the department, execute and promote implementation of the information security requirements and measures in the department.
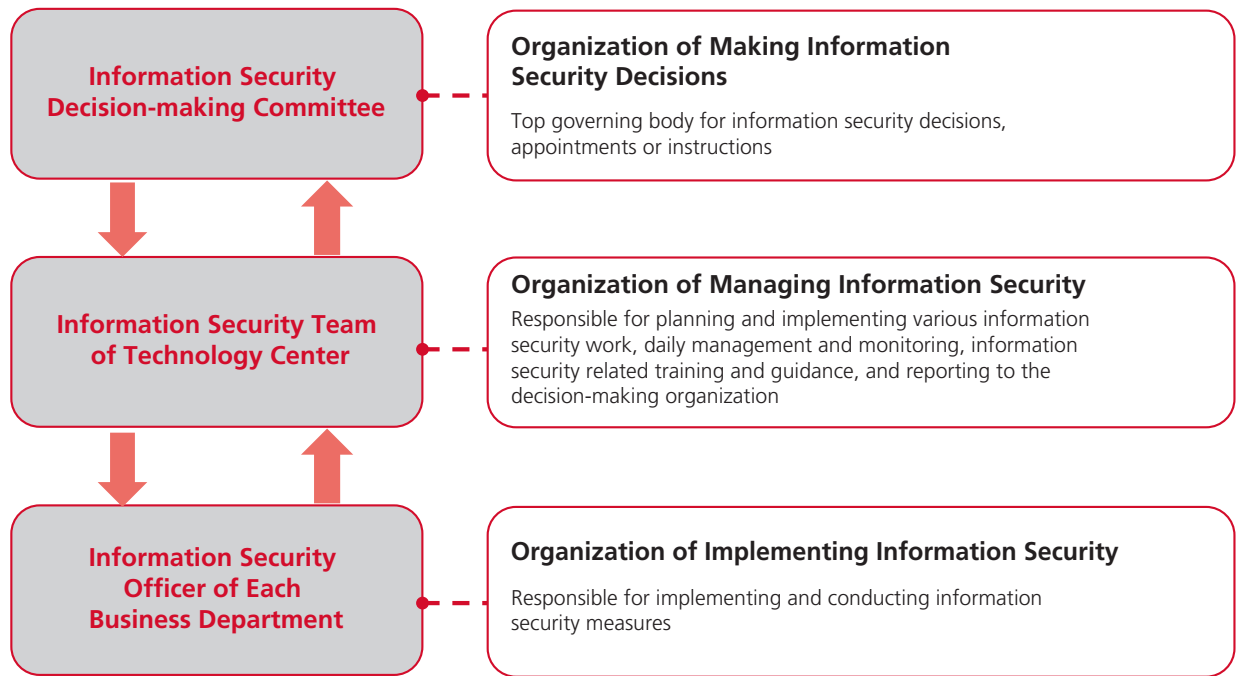
Information Security Decision-making Committee	Organization of Making Information Security Decisions
	Top governing body for information security decisions, appointments or instructions
Information Security Team of Technology Center	Organization of Managing Information Security
	Responsible for planning and implementing various information security work, daily management and monitoring, information security related training and guidance, and reporting to the decision-making organization
Information Security Officer of Each Business Department	Organization of Implementing Information Security
	Responsible for implementing and conducting information security measures

Figure: Organizational Structure of Information Security Management

◢ Establishment of the Security System

Based on a rigorous management system and process system, the Company continues to improve the information and data security management system concerning three modules: data security, information security and network security. With ISO 27001 as the core, the Company upholds the security system development concept of taking "technology as the means, people as the key, and management as the guarantee". A long-term operation mechanism featuring "equal emphasis on management and technology, and integration of technology and measures" has been established to build a solid barrier for protecting information and data security and safeguarding customers' privacy.

Establishment of the Data Security System

A comprehensive and in-depth data security system is established by sorting data asset into different levels and categories, and data security is protected and managed throughout the full life cycle

Information Security Management

A sound information security management system is established and the ISO 27001 international information security management system certification is obtained

Development of Network Security Technologies

We have invested in and developed technologies concerning network security, application security, host security, cloud-native security, and office security, etc.

Figure: Establishment of the Data Security System

The Company carries out strict hierarchical classification and division management of all data assets, and has formulated institutional documents such as *Data Confidentiality Level Classification and Disposal Management System of SF Intra-city* and *Guidelines on Big Data Service Information Security Rules of SF Intra-city* to strictly control the risk of privacy leakage and ensure that data risks are minimized. In the meanwhile, the Company takes full lifecycle management of data as a key to establish the data security system. In order to reduce security risks in the full life cycle of sensitive data and further improve the data protection capability of our system, the Company has formulated the *SF Intra-city Information Security and Privacy Management Strategy Manual* and the *SF Intra-city System Privacy Data Security Management Specification*. Such policies set clear requirements for the full-process protection of privacy data through collection, transfer, storage, access, processing and destruction, and ensure the confidentiality, integrity and availability of data processing.

Data Collection — Data Transfer — Data Storage — Data Access — Data Processing — Data Destroy
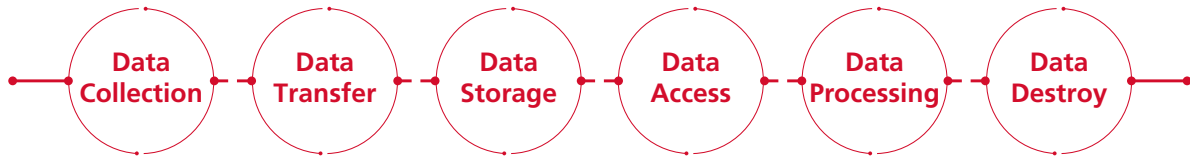
Figure: Full Lifecycle Security Management System for SF Intra-city Data

In order to guarantee information security in supply chain, supplier access requirements such as the *Supplier Security Assessment Survey Details of SF Intra-city* and the *SF Intra-city Suppliers Security Baseline* are formulated, including but not limited to data security baseline and personnel management baseline. In addition, we provide technical support and regulatory requirements on information security for suppliers to effectively control and avoid information security risks in the process of access and execution of infrastructure changes.

Information Security Emergency Response

In response to information security incidents, the Company developed the *Manual on Information Security Incident Management of SF Intra-city* and the *SF Intra-city Information Security Emergency Guidance*, which regulate the content and process of the Company's emergency response in five stages: early warning, type matching, graded response, emergency handling and summary & review. The Company clearly classifies information security incidents into cyber attack incidents, harmful program incidents, information leakage incidents and information content security incidents, and sets up corresponding solutions for various types of information security incidents. The Company classifies the information security incidents into: Level 1 events (major-risk), Level 2 events (medium-risk) and Level 3 events (low-risk) through evaluation of the urgency of the incidents. Accordingly, the Company reports the incident rating results to the Emergency Response Leadership Team under the Information Security Decision-making Committee, and establishes the full-process of information security incident response and handling from reporting, processing, investigation, summary and improvement, rewards and punishments to notification. By these efforts, we continuously strengthen our emergency response capability to ensure the safe and stable operation of information systems and business continuity.
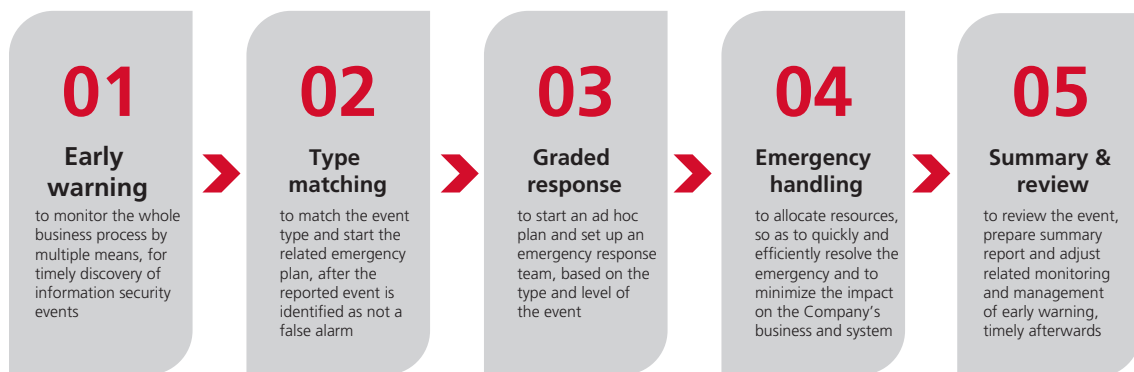
01	02	03	04	05
Early warning	**Type matching**	**Graded response**	**Emergency handling**	**Summary & review**
to monitor the whole business process by multiple means, for timely discovery of information security events	to match the event type and start the related emergency plan, after the reported event is identified as not a false alarm	to start an ad hoc plan and set up an emergency response team, based on the type and level of the event	to allocate resources, so as to quickly and efficiently resolve the emergency and to minimize the impact on the Company's business and system	to review the event, prepare summary report and adjust related monitoring and management of early warning, timely afterwards

Figure: Information Security Emergency Response Mechanism

🖌 Information Security Training

Our employees are required to comply with all policies and systems related to information security and privacy data protection, education and training related to participate in information security and privacy data protection, and raise their information security awareness. The Company held monthly training related to information security covering 100% of its employees.

🖌 Information Security Certification and Audit

The Company had obtained ISO 27001 information security system certification. We organize regular information security audits to evaluate the effectiveness, adequacy and appropriateness of the operation of the information security management system, and improve the system continuously. During the Reporting Period, we conducted one internal and one external audit each, all of which passed the certification.

Protection of Intellectual Property Rights

Technological innovation is the driving force for SF Intra-city's development. Only by protecting intellectual property rights can we guarantee the growth of innovation. The Company strictly abides by the *Patent Law of the People's Republic of China* and *Trademark Law of the People's Republic of China*, and have formulated policies such as *SF Intra-city Trademark (Trade Name) Management Policy* and *SF Intra-city Patent (Software Copyright) Achievement Management Policy*, to strengthen the formation and protection of intellectual property rights in all aspects of operation, and to further regulate the administration of intellectual property rights in the Company. We also protect and safeguard its patents, trademarks, copyrights and domain names through online monitoring, offline actions, internal management and other initiatives. As of December 31, 2022, we had obtained a total of 32 authorized patents and held a total of 251 intellectual property rights.

Service: Tailor-making Services to Deliver Value

Related SDGs Goals in this section

Providing Quality Services

As the largest third-party on-demand delivery service platform in China, the Company is committed to providing customers with quality, efficient and multi-scenario on-demand delivery services. Under the "user-centered, demand-oriented and experience-based" service concept, the Company effectively meets the changing needs of merchants and consumers with a multi-channel and multi-scenario business model. Driven by technology, the Company builds a protection mechanism for customer rights and interests in all application scenarios and service experience, and provides faster and higher quality services to both merchants and individual customers in a wider range of life and work scenarios.

Product Responsibility

Guarantee of Delivery Safety

The Company attaches great importance to delivery safety, which is the foundation of our operation, and it is our long-term commitment to ensuring that goods are delivered safely to our customers. To better fulfill this commitment, the Company implements digital operations. All the order information is processed online. The order status can be inquired in real-time, and the platform will track the order status in backstage and provide real-time warnings for abnormal orders. On the other hand, the Company provides guidance and safety training on pick-up and delivery instructions for each registered rider (see "Riders' Safety" in the Social Section for more details) to ensure that each rider on duty understands and can ensure maximum delivery safety. For customers, they can also choose from a variety of options such as privacy protection, pick-up and receipt codes, and insured valuable items when placing orders to protect personal privacy and item security, thus increasing customer satisfaction and recognition of the Company's delivery safety. In addition, to control delivery of illegal and prohibited items, the Company has established a list of prohibited items, including but not limited to flammable materials, explosives, weapons, petrol and drugs. Customers are required to specify the properties of their deliverables before placing an order, and riders must check all items before handling them, in order to maintain public safety and to protect customer rights.

Real-time supervision	**Self-operated delivery**	**Privacy protection**	**Pick-up and receipt codes**
Real-time order status tracking in backstage	Experienced riders	Hidden addresses and virtual phone numbers	Single code for each order to ensure accurate delivery

Information Security and Privacy Protection

In order to provide safe and reliable platform services, the Company has formulated internal policies such as the *SF Intra-city Privacy Policy*, the *SF Intra-city Information Security and Privacy Management Strategy Manual* and the *SF Intra-city System Privacy Data Security Management Specification*, applicable to users and riders respectively in accordance with the national standard such as the *Information Security Technology – Personal Information Security Specification, Cybersecurity Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China* and *Data Security Law of the People's Republic of China*. Through our official website, APP, WeChat official account and mini-programs, users and riders are clearly informed of the principles of personal information protection, and the measures and mechanisms in terms of personal information collection, handling and protection, enabling users and riders to feel at ease to use all services (see the "Information Security" section in the Governance Section for more details).

Responsible Marketing

We are aware of the risks and responsibilities involved in marketing and therefore give top priority to fairness in marketing and the protection of consumer rights. The Company strictly complies with the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, scrupulously implements the requirements of the *SF Intra-city Social Media Management System*. By establishing a sound and strict brand marketing management mechanism, we regulate the management, operation and content review of our brand to avoid any false, misleading, fraudulent, unfair or ambiguous marketing situation.

Quality, Efficient and Stable Fulfillment

Our on-demand delivery services are designed to meet the instant, point-to-point and time-sensitive delivery needs of our customers. We believe that providing quality and efficient performance is our core competency. Facing with the growing demand for intra-city on-demand delivery and more diversified service scenarios, the Company strives to enrich its product categories, diversify industry solutions and constantly expand our business scenarios coverage from on-demand delivery to personal compliance service. For special delivery needs, the Company also strategically cooperate with participants of SF Holding Group's ecosystem to devise integrated supply chain solutions for customers, namely "front-end warehousing + mid-end trunk +intra-city on-demand delivery". Customers can choose their logistics products more easily through integration of our resources and capabilities within the SF Holding Group.

Our technological capabilities and infrastructure are critical to our business operations, and we insist on casting capacity barriers driven by technology. Our customers come from a wide range of industries and their delivery needs vary significantly in terms of items, timeliness, distance, etc. Our self-developed City Logistics System (CLS) effectively supports large volume and highly differentiated orders through three core functions, completes the most efficient matching and distribution within a short time to meet various fulfillment needs, which continuously enhanced delivery efficiency and customer experience, in a bid to build a barrier of professional and differentiated delivery capability.

- Intelligent business planning. The system will realize demand forecasts based on peak differences between customers and categories, enabling us to schedule and deploy delivery capacity in advance.

- Integrated order recommendation and dispatching. The system will recommend orders to the designated group of riders based on the departure of the order, delivery route, real-time location of nearby riders, rider skill tags and other factors, thus improving the overall pick-up rate. In terms of timeliness, the system will take into account the customer's fulfillment requirements, meal preparation time, arrival time and delivery time to achieve optimal planning. In terms of riders' efficiency, the system will also automatically batch orders that can be efficiently packaged for delivery and suggest the best delivery order and route to improve rider fulfillment efficiency.

- Real-time operation monitoring. The system realize the digitalization of the end-to-end delivery process, enabling real-time monitoring of the delivery status and automated intervention for abnormalities or notification to the relevant operation staff for timely handling.

As of the Reporting Period, the delivery services provided by the Company cover approximately 2,000 cities and counties nationwide, of which over 1,300 cities and counties operate 24×7. Our fulfillment-in-time rate reached 95%, and fluctuations of the fulfillment-in-time rate did not exceed 2.5% and 4.0% even during holidays and bad weather respectively.

Insist on technological innovation and external empowerment. Based on the accumulation of our technological capability, the Company launched the "SF Intra-city Delivery Cloud" SaaS real-time logistics system, which provides one-stop intra-city logistics solutions for on-demand delivery service providers and brands with self-delivery businesses. By sharing our platform system capabilities, the "SF Intra-city Delivery Cloud" real-time logistics system aims to achieve full coverage with intelligent multi-scenario capabilities, the full-process monitoring with intelligent management systems, big data assistance with intelligent operation centers and accurate simulations with intelligent simulation systems, so as to help partners in local retail business deployment and gain development opportunities.

Insist on technology for goodness. To make it easy for special people to use our on-demand delivery services, we have upgraded and improved our online functions of APPs, applets, etc. For visually impaired users, the Company adds descriptive labels to clickable areas or buttons on the critical path to place an order, so that when visually impaired users touch the designated location, voice prompts are issued to help them place orders smoothly. For deaf riders, intelligent voice tools are provided to support human-machine interaction and customer communication to further improve the work and life experience of special riders.

Customer Experience and Customer Complaint Management

For both internal and external users, we insist on experience-oriented optimization. Professional customer interface, face-to-face customer experience, service stability and after-sales experience are key values of our on-demand delivery service. So far, the Company has established an internal "end-to-end experience monitoring and management" system for the full process. We kept monitoring and managing internal and external users' awareness and experience, including but not limited to platform brand awareness, usage considerations, satisfaction NPS, potential demands, customer complaints and handling, etc.

To learn more about user experience and demands, the Company conducts periodic monitoring and special research through a combination of online and offline methods. Based on various situations and feedback, the Company delves into problems for specific categories, people, steps and products, understands various pain points and needs, identifies problems and proposes solutions by virtue of qualitative and quantitative analysis, and monitors the implementation of solutions on a rolling basis for a closed cycle of customer experience management. Through a combination of internal and external experience, qualitative and quantitative analysis, periodic and special research, the system keeps offering solutions for improving products and services, and new market opportunities, which will continuously and effectively improve customer experience.

For complaints and problem resolution, customers may easily and quickly contact the platform for enquiries and complaints via multiple channels, including hotlines, APP complaint section and online customer service. With an aim to standardize the processes of customer complaint acceptance and claim settlement, the Company has improved the *SF Intra-city On-demand Delivery Operational Guidelines for Handling Customer Complaints, Individual Customer Claim Settlement Clauses* and other systems. In the process of handling customer complaints, customer service personnel will identify and classify the problems, screen out major exceptional problems with high risks in terms of safety, brand and noncompliance reporting, and adopt corresponding escalation mechanisms to rapidly handle and properly solve the problems. During the Reporting Period, we actively promoted the intelligent order management system to reduce tedious manual operations in customer service and improve the efficiency of order management. In addition, in view of the increasing cities and counties with round-the-clock service, the online customer service hours were expanded to 24×7 to meet customers' service needs round the clock. During the Reporting Period, we received 187 complaints per million orders, slightly down from last year. Of these, 100% of consumer complaints are addressed properly.

Responsible Procurement

In pursuit of the cooperation philosophy of honesty and integrity, understanding and communication, enhancement and optimization, the Company is committed to building a responsible supply chain, ensuring quality delivery of products and services, and establishing close cooperative relationships together with upstream and downstream partners to jointly build an industry ecosystem of win-win cooperation.

Supplier Management

The Company constantly improves the full-process supplier management system. To be specific, the Company has set up a special procurement department and formulated the *SF Intra-city Administrative Measures for Suppliers Introduction,* the *SF Intra-city Procurement Management Policy*, the *SF Intra-city Administrative Measures for Suppliers Certification for Centralized Procurement* and the *SF Intra-city Operational Guidelines for On-site Audit of Suppliers*. These policies clarify the standards and requirements for suppliers, standardize the full process from registration to daily management, actively maintain supplier relationships, and promote common progress with suppliers.

As for the supplier management process, our procurement team will regularly evaluate and review the qualification of suppliers based on procurement needs, which requires suppliers to provide materials including proof of business scale, credibility, operations, financial positions and other requirements. And in combination with on-site evaluation and investigation, qualified suppliers are introduced after going through a comprehensive evaluation and getting certified. For suppliers in cooperation, the Company will strictly control their standards and quality through continuous reviews to ensure that they meet applicable requirements. In addition, the Company has incorporated the environmental protection requirements of ISO 9000 certification and Restriction of Hazardous Substances (RoHS) into the on-site review requirements for production suppliers to implement the concept of green procurement. In case of any violation of business ethics, the Company will adopt the principle of "zero tolerance", promptly terminate cooperation with the relevant suppliers, and remove them from the list of qualified suppliers.

In 2022, the Company launched online and applied the digital supply chain system to achieve a closed-loop integration from budget management, demand application to procurement payment. The system includes supplier self-registration, certification management, classification management, contract management and performance management, which effectively accumulates the Company's supplier resource and improves the efficiency of our supplier management.

Transparent Procurement Management

The Company follows the basic principles of fair, just, honest and transparent procurement to ensure that the whole procurement process to realizes "transparent introduction" at the front office, "fair process" at the middle office and "fair supervision" at the back office, thus ensuring an honest and clean procurement environment.

The Company has formulated and required suppliers to sign the *SF Intra-city Integrity Terms and Conditions* to prohibit any form of extorting, offering or accepting bribes. The Company specifies reporting channels for suppliers in the bidding documents, so that suppliers can report complaints if they find any behavior affecting fair trade or other non-compliant acts. In 2022, 100% of the Company's suppliers have signed the *SF Intra-city Integrity Terms and Conditions*.

Cooperation with Multiple Partners

SF Intra-city is committed to tailor-making the industry's first-class professional on-demand delivery. Empowering merchants with an open and inclusive on-demand delivery network, the Company has provided professional, efficient and multi-scenario delivery solutions, as well as "Deliver for Me, Fetch for Me, Purchase for Me, Solve for Me" services covering personal life and work scenarios such as assistance in daily life and healthcare. In 2022, the Company actively cooperated with merchants, individual consumers, major local lifestyle service platforms, local governments and communities and other partners to develop new service scenarios and build a value ecosystem together.

Furthered Cooperation with Communities

SF Intra-city takes the initiative to reach out to local communities for community services. The Company made the best of its professional and flexible delivery network and cooperated with communities to provide convenient service and elderly care service. With a focus on mutual benefit and development, this reciprocal initiative creates more opportunities for the overall business development of the Company, and formed a virtuous interaction between the Company and communities. In addition, at the critical moment of the pandemic, the Company responded to the governments' call and assisted in the anti-pandemic actions of the local sub-districts and communities. (see "Supporting the Supply of Daily Necessities for the People" in the Society Section for more details).

Case: SF Intra-city and Loufeng Sub-district, Suzhou City Pioneered the "Love Kitchen" Cooperation Model to Promote Service Innovation in Elderly Care

In 2022, SF Intra-city and Loufeng Sub-district, Suzhou City pioneered the "Love Kitchen" cooperation model, sending meals to the elderly by a meal delivery solution of "one-outlet delivery to the whole sub-district + one-stop delivery in the forward and reverse directions", helping the elderly in the sub-district for more convenient dining pattern.

With the advantages of local life infrastructure, SF Intra-city helps to open up and complement the 24-hour service chain of the home care industry, better meeting the needs in medical, food, housing, transportation, health, care and nursing scenarios for elderly home-care, and promote new models and the development of the new industry for elderly home-care. All these efforts are aimed to enable the elderly to truly enjoy community elderly care services "around them, at home and in their neighborhood".

Figure: SF Intra-city and Loufeng Sub-district, Suzhou City cooperate to send meals to the elderly at home

Case: Optimizing Communities and Elderly Care with Professional Services, Ensure the Elderly in Laoximen Sub-District, Shanghai "a Bite of Happiness"

Food support comes first as for helping the elderly. SF Intra-city worked together with Laoximen Sub-district, Shanghai to provide a better community service experience and ensure the quality of life for the elderly in their homes through the cooperation of government and professional enterprise.

SF Intra-city provided professional advice and customized services to Laoximen Sub-district who faced complex challenges in meal delivery such as scattered delivery destinations, mixed routes and a wide variety of food orders. By playing a professional role, we worked together with the community to provide a warm meal delivery service and give the elderly "a bite of happiness".

Figure: SF Intra-city riders deliver meals to the elderly in the community

Promoting the Industry Development

As the largest third-party on-demand delivery service provider in China, it's incumbent upon SF Intra-city to contribute to the healthy development of the industry.

SF Intra-city actively participates in developing industry standards. In 2022, the Company participated in the compilation of two national standards, namely the *Specification for On-demand delivery Service*[3] and the *General Safety Management Rules for On-demand delivery Enterprises*[4], as well as the release of the Group Standard of *Requirements on Intelligent Technology Application of Helmets for Deliverymen for Online Orders*[5].

Besides, SF Intra-city is active in participating in industry cooperation and exchanges to facilitate industry interoperability and experience sharing. In 2022, the Company participated in industry conferences such as the Cloud Summit of the 5th Interface New Consumption Gala and the Online Summit for China Intra-city Delivery Industry, and has established ties with dozens of industry associations from various industries to keep deepening communication and exchange among peer companies and partners.

In addition, SF Intra-city takes the lead in providing benefits and protection exclusive for female riders in the industry, and the exclusive uniforms launched for female riders became a precedent in the industry. SF Intra-city respects and cares for every female rider, listens to the voice of female riders with practical actions, pays attention to the rights and interests of female riders, and gives full play to the "her" power of SF Intra-city. The Company has launched uniforms exclusive for female riders, jointly carried out public welfare activities for female riders, and provided exclusive delivery and benefits for female riders.

---

[3]   On March 17, 2023, *"Specification for On-demand delivery Service"* was released.

[4]   As of March 2023, the opinion solicitation for *"General Safety Management Rules for On-demand Delivery Enterprises"* had been completed and the draft for approval had been submitted to relevant authorities.

Case: "SF Intra-city x Erke" Produce High-Tech Quality Uniforms and Launch the First Uniforms Exclusive for Female Riders in the Industry

In the fourth "917 Riders' Day", SF Intra-city joined hands with Erke to launch the first uniforms "tailored for female riders" in the industry, giving female riders more comprehensive and meticulous care and showing the strength of women in the on-demand delivery industry.

Figure: Poster of cooperation between SF Intra-city and Erke

Society: Teaming up for a Better Life

Related SDGs Goals in this section
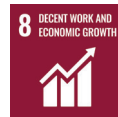
SF Intra-city is committed to protecting the rights, interests and development of all employees and riders, establishing a comprehensive talent management and care system, and providing a broad space for outstanding talents to realize self-worth. Besides, we actively fulfill our corporate social responsibility, keep focusing on public welfare, participate in community building, and give back to the community through our own quality services and capabilities, making humble contribution to social development through corporate responsibility.

A Sound Talent Pool

SF Intra-city believes that high-quality talents are the most valuable resources and assets of the Company. We insist on a people-oriented approach, treat every employee with equality and tolerance, and protect the rights and interests of employees in accordance with the law. We establish sound systems in talent recruitment, talent incentive and compensation and benefits, creating a safe and healthy working environment, and guarding the physical and mental health of employees.

◤ Employees' Rights and Interests

We attract more outstanding talents to join us with a "fair, just and open" attitude, to create a clean and friendly working environment, a diversified and inclusive corporate culture, a democratic and free communication mechanism and a competitive compensation system for each employee, and to fully respect and protect the rights and interests of our employees.

Compliant Employment

The Company insists on legal and compliant employment. The Company strictly observes the *Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China,* the *Employment Promotion Law of the People's Republic of China,* the *Law on the Protection of Minors* and other applicable laws and regulations. The Company has established and kept improving internal management policies such as the SF Intra-city Recruitment Management Policy.

We strictly prohibit any form of child labor and forced labor. When employees join the Company, we will strictly examine their identity with the help of information from the national public security department network, to avoid any child labor resulting from concealment or misrepresentation. Besides, the Company respects and safeguards the labor wishes of each employee, ensures reasonable working hours and leaves, and prohibits any form of forced labor. As at the end of the Reporting Period, there were no incidents of child labor or forced labor in the Company.

In addition, we adhere to a fair and equitable, equal and inclusive employment policy, respecting and protecting human rights, respecting the personality of our employees and safeguarding their freedom of belief. We firmly prohibit corporal punishment, mental or physical coercion, verbal abuse and any other form of mistreatment towards our employees, and provide special labor protection for female employees as required by applicable national rules.

Diversity in Recruitment

The Company encourages and respects the diversity of talents, and upholds the principle of "fair, just and open" recruitment. We strictly prohibit any discrimination in recruitment on the basis of ethnicity, race, nationality, religious beliefs, gender, age and other circumstances. We provide equal employment opportunities for each applicant, and fully respect and accommodate the diversity of employees.

In addition, we provide various recruitment channels such as campus recruitment, social recruitment and internal transfer, both online and offline, to attract outstanding talents from all walks of life and keep injecting vitality into the Company.

Case: Dreaming with "Feng" (夢想同豐起) — SF Intra-city 2022 Autumn Campus Recruitment

To attract talented fresh graduates from different majors to join us, SF Intra-city launched the "Dreaming with SF" autumn campus recruitment campaign at various universities across China. The event was held to convey the corporate culture and development opportunities of SF Intra-city to fresh graduates and to give them a better understanding of SF Intra-city to attract more talents to join us.

Figure: Dreaming with "Feng" —
Autumn Campus Recruitment

Compensation and Performance

To ensure the efficient operation of the compensation and benefit payment mechanism and to match objectively and fairly the value of employees, the Company has formulated and followed the *Employee Performance Management System of SF Intra-city* and the *Employee Benefit Management System of SF Intra-city*, which clarify the standards for compensation and benefits management and provide employees with competitive salaries in the industry. Besides, the Company also attracts talents through a flexible salary adjustment mechanism, value-contribution-oriented bonus incentives and a diversified benefit system to motivate employees and bring their potential into play, further attracting and retaining talents.

Employees' Development

By building a comprehensive training system with rich course resources, SF Intra-city provides professional training tailored for talents in different positions, helping employees to consolidate their business foundation, stimulate their potential in every aspect and achieve a leap in capability. Besides, the Company provides employees with clear career path planning, diversified workplace ability coaching, and abundant opportunities for job rotation to achieve their career development dreams.

Key employees	**New employees**	**Special talents**	**Management teams**
Cultivation mode	Company system, corporate culture, vocational training, mentor and buddy program	Business training Operation training General courses Function-related courses Internal experience exchange Industry information sharing	Vocational training Leadership development Industry information sharing Internal experience exchange Mentor and apprentice relation, rotation mechanism
Resource base	**SF Intra-city Academy** A one-stop online training platform, with rich learning resources and a team of professional lecturers		

Figure: SF Intra-city Talent Training System

Employees' Training and Cultivation

• Training for new employees

For new employees, the Company has developed a training system for new employees from induction to becoming a regular employee. We have a five-stage training program and growth objectives, to help new employees learn corporate culture and values, business overview and business ethics and other matters, adapt to the working environment and job role transformation, and integrate into the Company rapidly.

• Specialist training program

The Company encourages employees to develop themselves horizontally and vertically, and creates a platform for them to develop specialized business skills. The Company offers a specialist training program for employees, setting up a training system with operational and business dimensions. For specialized employees who have only one kind of capability and lack comprehensive competence, the Company sets a training process composed of selection and entry into the pool, study and tests, competency assessment and rotation training, to help such employees to transform from "with one specialty" to "with multiple abilities".

- Cultivation of city managers

City managers play an important role in the Company's business development and city operation, and their professional skills and personal capacity enhancement are vital to the Company. In 2022, the Company offered courses on business, operation and management for city managers to promote tailored talent development through targeted professional courses. In order to help city managers to master their work quickly and encourage them to share excellent experience, the Company has worked with related parties to compile the "*SF Intra-city Position Manual for City Managers*", which is expected to be released in 2023.

- Cultivation of local delivery outlet managers

Local delivery outlet managers in local sites act as the connection between the Company and riders, and play an important role in the management and maintenance of local sites. In 2022, the Company formulated the "SF Intra-city Position Manual for Local delivery outlet managers" to clarify the position responsibilities and content. We also developed courses with relevant professional departments to develop and launch riders service courses to boost up local delivery outlet managers and reserve talents.

Driven by Digital Technology

In order to increase the efficiency of acquiring and sharing knowledge and skills, and accelerate the cultivation of talents at all levels, the Company has introduced a one-stop online learning platform "SF Intra-city Academy". The Academy is composed of sections as online classes, learning community, micro-learning centers and points shopping center, which provides employees with knowledge learning and training opportunities and encourages employees to share their knowledge, skills and experience to build a sharing-based learning environment. In 2022, SF Intra-city Academy has offered hundreds of courses covering various fields and categories, providing a convenient channel for employees to improve both their professional and comprehensive abilities.

◀ Employees' Safety

The Company rigorously follows *the Law of the People's Republic of China on Work Safety* and *Regulations on Work-related Injury Insurance*, attaches great importance to the health and safety of employees, and keeps improving our safety management system. In order to protect employees' health and safety, and create a safe and healthy working environment, the Company sets safety operation procedures for employees to follow in the course of work, and raises employees' safety awareness and emergency handling ability by means of safety operation procedure publicity, emergency plan drills and safety knowledge training. In 2022, 100% regular employees of the Company participated in safety education and training.

Care for Employees

SF Intra-city makes every effort to take comprehensive care of and keep a close watch on each and every employee, and to keep improving the happiness of our employees. The Company has formulated *the Employee Benefit Management System of SF Intra-city* to enhance employees' satisfaction and sense of belonging by keeping improving the benefits and protection system and implementing diversified benefits and care initiatives to create a warm and healthy atmosphere.

Benefits	Contents
Basic Benefits	The Company pays the five major social insurance programs and housing provident fund for employees, and provides benefits such as paid leave, communication allowance, birthday benefits, free annual medical check-up, paternity leave for male employees, and merit leave for outstanding employees.
Care from the Labour Union	The SF Group's trade union pays visit to and provides subsidies for employees who are hospitalized or suffer from serious illnesses. The union also offers help for the employees who are trapped into financial difficulty and helps to pay the tuition for their children, organizes activities to visit their family, help to realize children's dream, and send gifts for study.
Talents Housing Subsidies Plan	To alleviate the burden of renting or buying houses for employees, the Company provides housing subsidies for eligible employees. In regard to family care, employees working away from home are entitled to enjoy home leave and corresponding transportation subsidies.
Humanistic Care	The Company holds welcome ceremony for new employees and prepares with studious care various holiday benefits for employees, such as organizing cultural and entertainment activities, sending customized gifts and delivering red envelopes during the Chinese New Year, etc.
Care for Employees' Life and Recreation	The Company provides monthly activity funds and organizes themed birthday parties for employees every quarter, delivering blessings and gift vouchers of local malls. The Company provides vigorous supports in organizing recreational activities for employees, such us establishing Zumba Club, basketball club, hiking organization and other groups for employees to relax themself and enjoy a healthy life after work.

Figure: Birthday party on Mid-Autumn Festival

Figure: Activities of the Company's basketball club

Employee Satisfaction

Upholding the concept of "every voice counts", the Company conducts quarterly satisfaction and engagement surveys based on items such as organizations, job contents, employee development, work reporting and company culture, fully understands the opinions and suggestions of employees towards the Company, improves management strategies in a targeted manner according to survey results, and optimizes work plans.

Protect Rights and Interests of Riders

The Company regards riders as its first partners, dedicating to building a rider-friendly platform in the industry. We have built a comprehensive management system covering the guarantee of riders' rights and interests, care and growth, etc., through the CLS system, "Rider's Home" platform, Rider Academy, etc., to achieve full-process support and management of riders, and wholeheartedly protect the rights and interests of every rider.

✔ Riders' Safety

Safety Management System

Since its inception, the Company has adhered to the principle of "safety first". The Company has developed safety criteria for riders concerning their workplaces and work processes. Based on the intra-city rider safety management framework, a dedicated rider safety service team is established to ensure the fine management for safety-related processes and mechanisms and continuously improve the safety guarantee system.

• The Company strictly controls the working hours and performance of each rider to avoid fatigue and overwhelming pressure in their work. Through City Logistics System (CLS), the Company has set a limit on the number of daily orders for each rider, reminds riders to take 20-minute break every 4 hours of work to ensure adequate rest, preventing accidents caused by overwork. We manage to ensure sufficient time for delivery by evaluating riders' real-time information such as the number of orders, delivery routes, experience and skills.

• We have developed extreme weather alerts, congestion and accident information reminder, traffic knowledge quizzes and other functions in the system, on which push notifications about safety knowledge and warning cases are regularly sent to enhance riders' safety awareness.

• The Company has added a function of traffic accident reporting with a completing processing procedure. In the event of any traffic accident, in order to ensure the safety of our riders, the order can be delivered by other riders.

• The Company also works to reduce traffic accidents by monitoring accident rates and other data, analyzing accident causes through our model, establishing safety records, exploring efficient management modes and other fundamental management methods.

Safety Measures

Putting the safety of rider first. The Company strictly takes measures to improve management and ensure riders' safety, like covering insurance for riders, using smart helmets, improving the quality of uniforms and improving skid control. In addition to providing the riders with necessary safety equipment such as helmets and knee pads, we promote pilot projects for smart helmets to help reduce the frequency of manual phone operation during delivery, allowing riders to focus on road conditions and reducing risks on the road.

Safety Training

The Company is highly concerned with safety training for riders. New riders must pass the new rider training covering safety knowledge before taking up their posts. Only after completing the study and passing the examination are they authorized to take orders online. The passing rate was 100%. The Company has also added a new category of safety and health courses on our Rider App, including traffic knowledge, accident cases, first aid knowledge, pandemic prevention, extreme weather guidance, fitness exercises and other content, providing safety training courses for different scenarios. Additionally, the Company arranges regular activities and special projects focusing on safety to ensure continuous improvement of riders' safety awareness.

Care for Riders

SF Intra-city treats every rider with care and respect, and strives to build a culture of caring riders. The Company deepens care for riders in a gradual manner through the construction of "Rider's Home" platform, improving incentive measures and caring for female riders, continues to enhance the sense of belonging and recognition of riders towards the intra-city business.

Special Community

In response to the common demands of riders and promote online culture in 2022, the Company established a "Rider's Home" platform for new riders, offering a channel for riders to express their needs and advices. The functions of the community include rider communication, rider performance display, rider care, newcomer guidance, cultural promotion and other features to encourage online communication and experience sharing and to help solve problems faced by riders, therefore enhancing their recognition and trust in the platform.

Rider Incentive

The Company focuses on providing physical and mental incentives to outstanding riders. In 2022, 180 riders were awarded the special contribution title of "Outstanding Rider in Endeavors Against COVID-19". The Company held the fourth "917 Riders Day" event. The event was divided into three chapters: "Strengthen Ties among Each City", "Build the City with Sincerity", "Let the City Witness Our Remarkable Achievements", highlighting events like Rider Honor Awards, Rider Development Plan Promotion, Million Co-creation Fund, Lighthouse Action.

Figure: Activities in the fourth "917 Riders Day"

▰ Riders' Development

The Company values the personal development and skill improvement of riders. We have established a comprehensive rider training system covering various categories such as essential skills for beginners, common delivery exceptions, specialized enhancement courses, refresher training, health and safety, and experiences of riders. The diverse courses not only cover the guidance and norms required for the entire business process, but also involve support related to personal development. All these learning resources have been launched on the SF Intra-city Rider Academy and are freely available to all riders. The Company has also established an internal team of lecturers for riders and regularly organizes events like course sharing and qualification certification of lecturers. The Company still continues to upgrade the online learning resources of Rider Academy and encourages riders to participate in the professional certification for delivery personnel for online orders.

Moreover, the Company has established a rider development system, including multiple personal development paths, and each path has a clear development path and great prospects. Riders can choose from the four paths as they like according to their personal interests.

Serving the Community

Under the concept of "Supporting Community Development and Bearing Social Responsibilities", the Company actively participates in social welfare activities and provides support for community development.

▰ Warm Public Welfare Actions

The Company takes active measures in social welfare and emergency relief, promoting the culture of kindness and serving for a better society. In 2022, the Company continues to expand the coverage in its public welfare endeavors, making remarkable achievements through our humble yet persistent move and injecting more positive energy into the society.

Case: Persist in the Selfless Act of Blood Donation and Promote the Spirit of "Good Will be Rewarded" among Riders

As a retired soldier, Li Changsong joint SF Intra-city and became a rider. Having a rare blood type of RH negative blood, he has been committed to donating blood voluntarily over a long period of time, with the total amount donated reaching 7,600 milliliters. This long-term selfless act of voluntary blood donation has helped Li Changsong win the title of "Passionate Public Welfare and Justice Envoy" granted by SF Intra-city.

Case: Local Riders Voluntarily Support Chongqing City in Fighting Against the Forest Fire

In August 2022, multiple forest fires were triggered by the sustained high temperatures in the Sichuan-Chongqing region. Chongqing rider team members Sheng Cheng, Yang Jia and other 20 riders unanimously decided that, without affecting the normal delivery capacity, some riders were designated on day and night shift to support the delivery of emergency supplies such as mineral water, bread, watermelon, etc.

✔ Supporting the Supply of Daily Necessities for the People

During the pandemic, the Company utilized on its flexible delivery network to work at the forefront of the fight against the pandemic. Collaborating with local governments and businesses, the Company strived to distribute resources, optimize allocation of delivery capacity and mobilize riders to participate in endeavors against COVID-19, thus helping maintain normal operations in the city. The Company provided 24-hour continued running errands and delivery services such as "fetching, delivering, purchasing, solving and more" (取送買辦+) services, covering daily scenarios like fresh food, daily necessities and medicine, business documents. We made utmost efforts to safeguard the city's supply chain as a lifeline and assume our social responsibility in terms of public welfare distribution, thus continuously creating value for society.

Case: Allocating Rider Capacity to Ensure the Delivery of Supplies for Citizens

After the outbreak of pandemic in Cangzhou city, Hebei province in March 2022, Xu Junwang, a local manager of SF Intra-city Jijin district branch, immediately collaborated with relevant emergency departments of the Municipal Government to ensure basic living supplies and medical deliveries for residents of Cangzhou.

Environment: Pursuing a Green & Low-carbon Trip

Related SDGs Goals in this section

SF Intra-city attaches great importance to climate change and ecological harmony, and abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China,* the *Water Law of the PRC*, the *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste*, etc., as well as the relevant laws and regulations of the place where it operates. We actively advocate green transportation and green operation, pay attention to the application of clean energy, promote green packaging, practice energy conservation and emission reduction, and provide environmental-friendly distribution services.

Tackling climate change

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (SFB) in 2015, responsible for preparing uniform guidance for companies to assist in making voluntary climate-related financial risk disclosures. The Company is deeply aware that climate change will bring various risks and opportunities to our business. With reference to the recommendations of TCFD, we voluntarily disclose relevant content through a consistent, comparable, reliable, clear and efficient framework, and will gradually improve the disclosure content in the coming years.

Governance

As other risks, the climate change risks have been included in the risk management system of the Company. As the highest risk management authority, the strategy formulation organization consisting of the Board of Directors and the Audit Committee, and is responsible for the identification, prevention and control of ESG risks. The ESG Leadership Group coordinates and collates ESG-related policies and system updates every year, integrates the annual ESG practice performance, reviews the Group's annual ESG performance and the progress in achieving its goals, and reports relevant information to the Board of Directors to ensure the effectiveness of ESG work promotion.

Strategy

From the perspective of business types and operations, the Company identifies the physical risks and transformation risks with great impact and possibility and looks for potential opportunities.

Type of risks	Potential impact
Physical risks	Physical destruction or damage caused by climate changes to assets, supply chains, delivery chains, personnel safety, etc.
➤ Acute risks	Risks driven by extreme weather events
	• Severe supply chain disruptions are caused
	• Transport infrastructure is damaged, and delivery are delayed
	• The power supply of the back-end system is unstable, or the network is faulty, which affects services
	• Safety risks of riders are increased
	• Delivery is suspended, resulting in compensation for damage to goods
	• The cost of repairing or replacing damaged or destroyed assets is increased, resulting in serious economic loss
➤ Chronic risks	Environmental changes brought about by the shift of long-term climate pattern
	• Summer temperatures continue to rise, increasing safety risks for riders
	• Hardware performance is affected, leading to the early scrapping of the Company's existing assets
	• Business development in coastal cities is restricted.
Transformation risks	Broad changes in the external environment in terms of policy, law, technology and markets during the transition to a low-carbon economy.
➤ Policy and regulation risks	• Increased costs to meet compliance requirements, such as energy-saving retrofitting of office equipment, and the purchase of carbon quotas.
	• Increased delivery costs due to energy price rise.
	• Increased information disclosure risks.
➤ Technical risks	• The transitional cost of equipment replacement due to technology change, such as procurement, testing, training, etc.
	• The cost of communicating the environmental protection concept of green delivery to consumers.
➤ Market risks	• The public demand for on-demand delivery continues to increase, and they have higher requirements for the quality of delivery service.
	• Customers deepen their understanding of low carbon and prefer green delivery services.
➤ Other stakeholder impacts	• During the low-carbon transformation period, the government's attitude towards products or projects affects the financing cost.
	• Concerns about delays in the on-demand delivery sector in extreme weather may affect investment.
	• Enterprises are required to report and communicate on sustainable development and ESG-related issues regularly.

Table: List of climate-related opportunities of the Company

Type of opportunities	Potential impact
Energy	
➤ Response	• On-demand delivery enterprises develop smart delivery to reduce operating costs.
	• The Company saves water and electricity resources and operating expenses.
	• The Company sets and discloses the internal environmental protection targets to shape a more positive corporate image.
➤ Rise of new technologies	• Develop smart operations to control delivery, operation, service and management in a more refined and dynamic manner.
	• Gain insight into the development trend of clean energy in terminal transportation.
➤ Participation in green finance	• Financial institutions may link loan rates with green data, and enterprises that adopt sustainable development measures and make progress in achieving their goals may receive more favorable financing rates from banks, reducing financing costs.
Products and services	
➤ R&D and innovation	• The risk of future energy price rise can be reduced and resilience to climate risk can be enhanced.
	• Reputation increases and demand for on-demand delivery services rises.
➤ Changes in consumer preferences	• Consumers with green preferences will increase their demand for green services and pay more attention to the sustainable development performance of the on-demand delivery industry.
	• The Company can adapt to the changes in consumer preferences and enhance the research, application and publicity of green delivery.
	• Actively respond to incidents such as large-scale delivery delays, delivery errors, and other events caused by extreme weather, and avoid negative impact on corporate reputation.
➤ Preferences of investors	• Investors will increase their investment in low-carbon green operation enterprises, and the working capital of enterprises will increase, rendering a more stable capital chain.

Table: List of climate-related opportunities of the Company

◤ Risk management

To reduce the impact of climate risk on the Company and seize the opportunities, the Company has continuously promoted the change of delivery capacity and energy structure, and increased the contribution of new energy vehicles to delivery capacity, kept upgrading and optimizing our innovation in green business, and output green environmental protection products to the value chain, in an attempt to reduce the impact of transformation risk through proactive measures. To manage and respond to physical risks, the Company has developed an emergency response mechanism for bad weather and gives early warning of unusual weather via the SF Intra-city Rider App in a timely manner to ensure timely response when disasters occur. We also provide high temperature subsidies to riders in hot weather, flexibly allocate transportation capacity, protect the health and safety of employees and riders, and strive to reduce personal accidents and asset losses caused by physical risks.

Indicators and Goals

The Company will continuously disclose environmental indicators related to climate change such as energy consumption and density, greenhouse gas emissions and density (please refer to "ESG Key Performance Table" for details) in its annual environmental, social and governance reports, and measure the Company's achievements in tackling climate change through quantitative indicators.

The Company has set targets related to emissions, energy, water resources and waste in 2021, and successfully achieved them during the year. In order to effectively reduce the environmental impact in the operation process, the Company will continue to promote environmental targets setting for 2023.

Indicators	2022 Targets	Progress of 2022 Targets	2023 Targets
Emission goal	Lower GHG emission intensity than in 2021	Achieved	Lower GHG emission intensity in 2023 than in 2022.
Energy use efficiency	Lower office electricity intensity than in 2021	Achieved	Lower office electricity intensity in 2023 than in 2022.
Water use efficiency	Lower office water intensity than in 2021	Achieved	Lower office water intensity in 2023 than in 2022.
Waste generation	Lower office waste intensity than in 2021	Achieved	Lower office waste intensity in 2023 than in 2022.
			100% waste classification in the headquarter office premises.

Practicing Low-carbon Transformation

The Company strictly complies with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other laws and regulations. The Company has formulated internal management systems and taken environmental protection measures including green delivery, green packaging and green office, to reduce the environmental impacts of the Company's business operations and to create green, sustainable and on-demand delivery services.

Green delivery

While providing high-quality, efficient and multi-scenario delivery services, the Company pays special attention to enhancing the green and low-carbon level of our delivery system. We are committed to providing more consumers with "green services" and contributing to the national goal of carbon neutrality by building a more environmentally-friendly on-demand delivery system.

The main delivery capacity of the Company's on-demand delivery business consists of two-wheeled vehicles and four-wheeled vehicles. The two-wheeled vehicles are owned by riders and their source of power is electricity; and four-wheeled vehicles include gasoline vehicles, diesel vehicles and new energy vehicles, all of which are outsourced. Approximately 95% of our active riders fulfilled their orders via electric two-wheeled vehicles or public transportation, covering more than 90% of transportation scenarios. Moreover, by considering the real-time position of the rider, the position of the order and other factors, we achieved optimal route planning, shorter mileage, and energy consumption reduction through our CLS system.

✔ Green office

The Company's operation process does not involve the use of a large amount of water and the discharge of wastewater, nor does it involve products and businesses that are likely to pollute water, and it has no significant impact on the environment and natural resources. In daily operations, the Company has always adhered to the green development philosophy, strived to practice green concept in each operation, and taken a number of measures to enhance employees' water and energy use efficiency. Also, the Company has reduced waste of office supplies and waste generation, improved resource utilization, and cultivated a green and low-carbon working style, thus reducing environmental impact.

• Comprehensively promote paperless office, online signature system, and paperless file management, and encourage black and white double-sided printing;

• Unified management of temperature control and lighting, encouraging employees to turn off the lights during non-working hours;

• Advocate timely shutdown of idle computers to ensure that "shut down the computer and cut off its power connection before leaving";

• The Company has established the *SF Intra-city Office Site Configuration Guide*, makes proper arrangements of office supplies and office consumables, sets self-service stationery collection cabinets and posts saving reminders in shared areas and requires employees to collect them as needed;

• Strengthen routine maintenance and repair of electronic office equipment.

✔ Green packaging

Committed to taking on more corporate responsibilities, as an advocate and practitioner of green environmental protection, the Company actively responds to national policies, and takes the lead to drive partners to accelerate the sustainable development of the on-demand delivery industry through various R&D and cooperation activities.

To reduce the use of disposable document envelopes, we have actively developed and put into use recyclable document envelopes. It is estimated that each recyclable document envelope can reduce the use of 50 paper document envelopes, which greatly promoted the resource conservation while enhancing the recycling efficiency, and reduced the carbon footprint of products.

In addition, the Company cooperates with merchants to launch a recycling service to encourage merchants to recycle the thermal insulation bags. Moreover, riders thank and encourage customers who use recycle packaging, which has optimized the overall delivery process. In this way, the Company enables customers to improve their environmental protection awareness while achieving energy saving and efficiency improvement, drives the trend of public green consumption, and jointly contributes to creating a green society.

Appendix:

ESG Key Performance Overview

KPIs	Unit	2022
A. Environmental[5]		
A1: Emissions		
A1.1[6]		
A1.2		
Direct GHG emissions (Scope 1)[7]	tCO2e	0
Indirect GHG emissions (Scope 2)[8]	tCO2e	311.79
Total GHG emissions	tCO2e	311.79
GHG emissions intensity	tCO2e/RMB million revenue	0.03
A1.3		
Total hazardous waste produced	t	The Company's own operation does not involve the generation of a large amount of hazardous waste, and the generation of hazardous waste in the office process has not been counted this year.
Total hazardous waste intensity	t/employee	
A1.4		
Total non-hazardous waste produced[9]	t	1.98
Total non-hazardous waste intensity	t/employee	0.001

---

[5]   The environmental data covers the offices of SF Intra-city and its subsidiaries.

[6]   The Company's own operation does not involve gas fuel consumption and use of motor vehicles, so there is no available emission data on air pollutants SO_2, NO_X, and PM.

[7]   The Company's own operation does not involve the GHG emissions from direct energy consumption.

[8]   The source of grid electricity GHG emission factor is *Notice on the work related to the management of GHG emission reports of enterprises in the power generation industry for 2023-2025*.

[9]   The total amount of non-hazardous waste only includes waste paper, the scrap electronic equipment is not counted by weight.

KPIs	Unit	2022
A2: Use of Resources		
A2.1		
Electricity consumption	kW•h	546,719.24
Comprehensive energy consumption	MW•h	546.72
Comprehensive energy intensity	MW•h/RMB million revenue	0.05
A2.2		
Water consumption	m³	5,879.87
Water intensity	m³/RMB million revenue	0.57
A2.5		
Packaging used	t	152.38
Packaging intensity	t/RMB million revenue	0.01
B. Social		
B1. Employment		
B1.1[10]		
Total number of employees	Person	2,178
Total workforce by gender		
Male	Person	1,574
Female	Person	604
Total workforce by employment type		
Management	Person	34
Non-management	Person	2,144
Total workforce by age group		
29 and below	Person	863
30-49	Person	1,304
50 and above	Person	11
Total workforce by geographical regions		
China Mainland	Person	2,176
Hong Kong, Macau, Taiwan and overseas	Person	2

---

[10] Total number of employees includes the number of full-time employees that signed formal labor contracts with SF Intra-city.

KPIs	Unit	2022
B1.2[11]		
Overall employee turnover rate	%	27.96%
Employee turnover rate by gender		
Male	%	27.83%
Female	%	28.31%
Employee turnover rate by age group		
29 and below	%	34.65%
30-49	%	23.54%
50 and above	%	27.27%
Employee turnover rate by geographical regions		
China Mainland	%	27.94%
Hong Kong, Macau, Taiwan and overseas	%	50.00%

KPIs	Unit	2021	2022
B2. Health and safety			
B2.1[12]			
Number of work-related fatalities of employees	Person	0	0
Rate of work-related fatalities of employees	%	0%	0%

KPIs	Unit	2022
B2.2		
Lost days due to work injury of employees	Days	0

[11] The formula for calculating the employee turnover ratio is: the number of each category employees left in the current year/the number of each category employees at the end of the current year* 100%.

[12] SF Intra-city, listed on the Main Board of the Hong Kong Stock Exchange on December 14, 2021, has now disclosed data on the rate of work-related fatalities in 2021 and 2022.

KPIs	Unit	2022
B3. Development and training		
B3.1		
The percentage of employees trained	%	99.86%
The percentage of employees trained by gender		
Male	%	99.81%
Female	%	100%
The percentage of employees trained by employee category		
Management	%	100%
Non-management	%	99.86%
B3.2		
The average training hours completed per employee	Hours	37.77
The average training hours completed per employee by gender		
Male	Hours	39.97
Female	Hours	32.03
The average training hours completed per employee by employee category		
Management	Hours	23.68
Non-management	Hours	37.99
B5. Supply chain management		
B5.1		
Number of suppliers by geographical region		
China Mainland	Units	634
Hong Kong, Macau, Taiwan and overseas	Units	30

KPIs	Unit	2022
B6. Product responsibility		
B6.1		
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	The Company only provides distribution services, and does not assume corresponding responsibility for the goods delivered (except for claims caused by our company's responsibility, such as loss or damage during the delivery process), and does not involve product recalling
B6.2		
Percentage of products – and service-related complaints received	Times/million parcel	187
B7. Anti-corruption		
B7.1		
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the year ended December 31, 2022	Cases	0
B7.3		
Total duration of anti-corruption training	Hours	2,236
The number of people participating in anti-corruption training	Attendances	8,414
The number of board members and senior management participating in anti-corruption training	Attendances	161
Duration of anti-corruption training for the board of directors and management	Hours	287
Community		
B8: Community Investment		
B8.2		
Investment in the public welfare project for riders	RMB ten thousand	18

Environmental, Social and Governance Report

ESG Index

Aspects	Index number	Index content	Disclosure paragraph
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Practicing Low-carbon Transformation
	A1.1	The types of emissions and respective emissions data.	ESG Key Performance Table
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Indicators and Goals
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Practicing Low-carbon Transformation
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Practicing Low-carbon Transformation
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Indicators and Goals
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Indicators and Goals
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	ESG Key Performance Table

Aspects	Index number	Index content	Disclosure paragraph
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Practicing Low-carbon Transformation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Practicing Low-carbon Transformation
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Change
B: Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	A Sound Talent Pool
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Key Performance Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Table
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employees' Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Key Performance Table
	B2.2	Lost days due to work injury.	ESG Key Performance Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employees' Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employees' Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Key Performance Table
	B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance Table

Aspects	Index number	Index content	Disclosure paragraph
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employees' Rights and Interests
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement
	B5.1	Number of suppliers by geographical region.	ESG Key Performance Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Procurement
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Procurement
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Procurement
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	ESG Key Performance Table
	B6.2	Number of products and services related complaints received and how they are dealt with.	Providing Quality Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	The Company's business doesn't involve the production and manufacturing of the products
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security

Aspects	Index number	Index content	Disclosure paragraph
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity Management System
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ESG Key Performance Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Integrity Management System
	B7.3	Description of anti-corruption training provided to directors and staff.	Integrity Management System
Community			
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Serving the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Serving the Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG Key Performance Table