

## SF Environmental Management Policy

As the largest integrated logistics service provider in China and Asia, and the fourth largest player globally, SF adheres to sustainable and healthy development, actively respond to global carbon reduction initiatives, implement China's "Dual Carbon" (Carbon Peaking and Carbon Neutrality) strategy, and contribute to the long-term climate goals of the *Paris Agreement*. The Company strictly complies with all applicable environmental-related laws, regulations and industry regulations in China and its operating jurisdictions. Centered on green and sustainable development, SF deeply integrates environmental protection concepts into its management and operational practices. SF is committed to driving the green and low-carbon transformation of the industry, extending green value across the entire industrial chain, and collaborating with upstream and downstream partners to achieve a zero-carbon future.

### 1. Commitment

SF is committed to implementing an effective environmental and energy management system (aligned with ISO 14001/ ISO 50001) and actively adopting diversified energy-saving and environmental protection measures tailored to various business scenarios, in order to minimize the environmental impact of all operational activities and enhance our environmental and energy performance. All of SF's main business operation sites have obtained ISO 14001 Environmental Management System certification.

SF is dedicated to enhancing its integrated green and low-carbon supply chain service capabilities and building a comprehensive carbon emissions management system covering the entire industrial chain. Through initiatives such as steadily advancing low-carbon transportation, developing green industrial parks, innovating sustainable packaging solutions, and actively exploring the application of green technologies, we build and operate a sustainable logistics network. This enables green management throughout the entire logistics lifecycle, actively advancing and implementing of China's "Dual Carbon" strategy. By improving transparency in environmental information

disclosure, proactively planning and deploying necessary resources, and fostering cross-industry exchange and collaboration, SF collaborates with employees, customers, business partners, and other key stakeholders to cultivate a green and low-carbon logistics ecosystem.

## **2. Principles and Objectives**

### **2.1 Energy Management and Greenhouse Gas Emissions**

SF aims to protect the environment, conserve energy, and reduce carbon emissions. Through initiatives such as steadily advancing low-carbon transportation, building green industrial parks, developing sustainable packaging, and exploring green technology applications, we implement green management across the entire logistics lifecycle. We strive to reduce energy consumption and greenhouse gas emissions in every operational aspect, actively building a green, low-carbon, and energy-efficient enterprise.

#### **Climate Targets:**

- Commit to achieving net-zero greenhouse gas emissions across the value chain by 2050 by joining the Science-based Targets initiative (SBTi) and implementing supplier engagement programs.
- Proactively identify linkages and trade-offs between environmental factors and business activities, taking corresponding measures to address opportunities and challenges.
- Implement diverse environmental protection initiatives while ensuring regulatory compliance to collectively create a greener future.
- Encourage and support customers, employees, suppliers and other stakeholders to proactively reduce carbon emissions in their daily operations and lives, enhancing their capacity to address environmental challenges.

- Refrain from funding activities that oppose climate action or lobbying against climate regulations.

## **2.2 Reducing Air Emissions and Noise Pollution**

SF continuously improves air emission and noise management. We reduce negative impacts by identifying pollution sources, scientifically assessing impact levels, and formulating specific management measures.

## **2.3 Standardizing Chemical Management**

SF adheres to stringent chemical management systems and safety standards to ensure standardized and orderly processes for chemical classification, identification, packaging, collection, transportation, inspection and delivery. The Company continuously strengthens monitoring and management of dangerous goods transportation to safeguard operational safety, employee health, and environmental security.

## **2.4 Raw Material Use and Waste Management**

SF actively promotes circular economy development. We adhere to the principles of reducing material use, promoting circularity, minimizing environmental harm, and standardizing packaging materials. By optimizing packaging material performance, overcoming technical bottlenecks, and expanding application scenarios, we reduce waste generation at the source. The Company implements a comprehensive waste classification system. Through refined waste management, promotion of resource recycling, and waste classification training, we enhance employee awareness of resource recovery, reduce waste generation, and minimize environmental impact.

## **2.5 Promoting Sustainable Consumption**

SF provides customized green, low-carbon supply chain solutions and services through technological R&D and model innovation. We empower partners across the industrial

chain, collaborating with customers to accelerate their low-carbon transition. Simultaneously, we promote green concepts to consumers and the public, encouraging sustainable consumption practices throughout the value chain to foster shared green value creation across the entire industry.

## **2.6 Water Resources Management**

SF is committed to taking practical measures to reduce water consumption and protect freshwater ecosystems. By optimizing water use, efficiently monitoring usage, and implementing robust management practices, we reduce pressure on freshwater resources and protect ecosystem health. The Company has established water management systems and set water conservation targets. Through measures such as maintaining water-efficient equipment and promoting water-saving awareness, we enhance employee consciousness, standardize water use behaviors, improve efficiency, and achieve water conservation. SF also actively engages stakeholders and suppliers, supporting them in building water resource management capacity.

## **2.7 Biodiversity Conservation**

SF actively promotes biodiversity conservation, committed to achieving Net Positive Impact (NPI). This means stabilizing our impact on biodiversity throughout the value chain by 2030 and achieving net improvement by 2050, contributing to the vision of "harmonious coexistence between human and nature by 2050". To this end, the Company will assess the impact and dependence of its operations on biodiversity across multiple dimensions, identify potential risks, and define key conservation tasks. Through optimized site selection, noise pollution reduction, sustainable procurement, forestation initiatives, and support for ecological restoration projects, we strive to minimize the negative impacts of our operations on biodiversity and ecosystems. The Company also aims to raise awareness of biodiversity and ecological protection among employees, customers, suppliers, business partners, and other key stakeholders, while actively

encouraging suppliers and partners to implement ecological protection actions to collectively promote biodiversity practices across the value chain.

## **2.8 Forest Governance and Protection**

SF firmly implements China's forest protection policies, strictly prohibiting all deforestation activities and strictly complying with relevant laws and regulations. We have established robust oversight mechanisms to ensure compliance across our operations and supply chain, fulfilling our zero-deforestation commitment. Additionally, SF actively responds to China's policies on forest restoration and ecological rehabilitation. We participate in and support reforestation and restoration projects, dedicated to enhancing forest ecosystem functions and contributing to global forest conservation goals. The Company continuously strengthens the awareness of forest conservation and zero-deforestation principles among its employees, customers, suppliers, business partners, and other key stakeholders, while actively encouraging suppliers and partners to adopt relevant protection initiatives to collectively promote forest conservation practices across the value chain.

## **3. Collaboration Across the Value Chain**

### **3.1 Collaboration with Suppliers**

SF actively fosters a responsible and sustainable procurement environment. We encourage suppliers and partners to continuously strengthen their own environmental management, striving to minimize environmental and social risks throughout the supply chain and promote its sustainable development.

- **Supplier Management:** Environmental performance is a key criterion in SF's supplier selection. We have established a comprehensive supplier management system, integrating environmental requirements into the entire supplier lifecycle. We prioritize energy-efficient, water-saving, and material-conserving products and services under equivalent conditions to reduce

resource consumption and environmental pollution, achieving sustainable supply chain management and environmentally responsible business practices.

### **3.2 Collaboration with Customers**

SF is committed to providing customers with customized green, low-carbon supply chain solutions and services. We empower industrial chain partners and collaborate with customers to accelerate the pace of low-carbon transformation, contributing to environmental protection and sustainable development.

- **Sustainable Packaging Solutions:** SF continuously advances in sustainable packaging, increasing R&D investment in sustainable packaging materials and accelerating the application of innovations. Focusing on diverse customer needs, industry characteristics, and application scenarios, we deliver end-to-end solutions for packaging reduction, recycling, harm minimization, and standardization through optimized material performance, technological breakthroughs, and expanded applications, jointly advancing the circular economy.
- **Green Low-carbon Supply Chain Solutions:** SF actively develops and applies sustainable low-carbon technologies. By steadily promoting low-carbon transportation, building green industrial parks, developing sustainable packaging, and exploring green technology applications, we continuously enhance our green, low-carbon supply chain capabilities. We provide customized solutions and services to help customers achieve decarbonization goals within their logistics supply chains.

### **3.3 Collaboration with Regulatory Authorities and Industry Associations**

SF consistently adheres to an open and shared development philosophy. Through multi-

dimensional practices including technological innovation, collaborative standard-setting, and ecosystem synergy, SF promotes the green and low-carbon development of the industrial chain, jointly building a more resilient and sustainable global logistics ecosystem.

- **Regulatory Authorities:** SF continuously strengthens communication and cooperation with regulatory authorities. We actively participate in formulating national and industry standards related to green packaging and green logistics, consistently driving the industry's sustainable, high-quality development and green transformation.
- **Trade Associations:** SF actively joins trade associations and organizations. Using technological innovation as a bridge and shared responsibility as the foundation, we continuously releases the synergy value of the industry. By integrating industry resources and innovative experience, we enhance communication and cooperation across the logistics industrial chain, collectively advancing the logistics industry towards a greener, healthier, and more sustainable future.

#### **4. Decision-Making Body**

The highest approval and decision-making authority for this Policy resides with the Strategy Committee of the Board of Directors of the Company, which regularly reviews the Policy's implementation and effectiveness, and approves any revisions or adjustments to ensure it continuously aligns with the Company's business development needs.

#### **5. Scope of Application**

This policy applies to S.F. Holding Co., Ltd. and all its subsidiaries and branches worldwide.