

Stock Abbreviation: Milkyway  
Stock Code: 603713



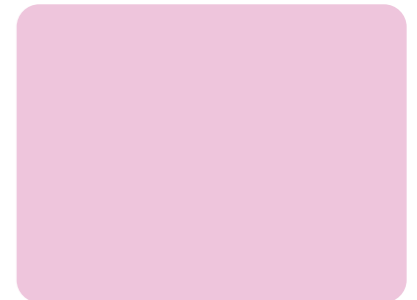
The Intelligent Supply Chain Innovator  
603713



**2025**  
**MILKYWAY**



# Sustainability Report



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Milkyway Intelligent Supply Chain Service Group Co., Ltd.



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## Feature

**Expanding Overseas Presence to Build a Resilient Supply Chain Service System of Chemicals and New Energy**

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# About This Report



## Overview

Milkyway Intelligent Supply Chain Service Group Co., Ltd. (hereinafter referred to as "Milkyway" or "the Company") has published environmental, social, and governance (ESG) reports annually from 2020 to 2023. Starting in 2024, the Company began issuing sustainability reports. This report marks the second publicly released sustainability report. Adhering to the principles of objectivity, standardization, transparency, and comprehensiveness, this report details the company's strategies, practices, and performance in ESG areas in 2025.

## Reporting Scope

- Reporting Period:** The reporting period covers January 1, 2025, to December 31, 2025. To enhance the comparability and completeness of this report, certain sections appropriately include retrospective data or forward-looking statements.
- Organizational Scope:** Unless otherwise specified, the coverage of this report aligns with the scope disclosed in the Company's annual report.
- Publication Frequency:** This sustainability report is published annually.

## Basis of Preparation

- This report is prepared in accordance with the requirements of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, and references relevant documents such as the *GRI Standards* published by the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs).

## Data Sources and Notes

- The financial data in this report is extracted from the 2025 Annual Report of Milkyway Intelligent Supply Chain Service Group Co., Ltd. Other information and data are derived from statistical summaries or public documents provided by the Company's concerned departments. The report contains no false records, misleading statements, or material omissions. Unless otherwise specified, all monetary amounts in this report are denominated in renminbi (RMB).

## Explanation of Terms

- "Milkyway," "the Company," and "we" refer to Milkyway Intelligent Supply Chain Service Group Co., Ltd.

## Report Access and Feedback

- This report is published in both printed and electronic formats. Readers may access and download the Chinese and English electronic versions of this report on Milkyway's official website ([www.mwclg.com](http://www.mwclg.com)), the Shanghai Stock Exchange website ([www.see.com.cn](http://www.see.com.cn)), and [www.cninfo.com.cn](http://www.cninfo.com.cn). In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

**If you have any comments or suggestions regarding this report, please contact us through the following channels:**

- Address: Building F1, 158 Jinkui Road, Pudong New Area, Shanghai
- Tel / Fax: 021-80228498
- Email: [ir@mwclg.com](mailto:ir@mwclg.com)



# Message from the Chairman

Dear shareholders, partners, employees, and friends from all walks of life,  
As time moves steadily forward, 2025 has come to a close. Over the past year, the global macroeconomic environment remained complex and volatile, presenting the chemical and new energy supply chain industry with unprecedented opportunities and challenges. For Milkyway, 2025 was a crucial year for strengthening our foundation and advancing high-quality development. We remain committed to our mission of "Make society safer and supply chain more efficient". By deeply incorporating ESG principles into every facet of our corporate strategy, we strive to build resilience to navigate market cycles and drive growth through innovation, steadily advancing toward our goal of becoming a globally leading intelligent supply chain service provider.

## Digital intelligence: redefining supply chain resilience.

Over the past year, we remained focused on our core business and deepened our expertise, achieving milestone breakthroughs in our global strategic initiatives. From securing the "Black Peak Project" by the Engineering Logistics Department and successfully escorting 25 complete sets of wind turbines to Serbia, to the smooth delivery of the first newly built chemical tanker "YANZHILUN", Milkyway has established a logistics artery connecting China to the world, which also marked our official entry into a new era of ship asset industrialization. We also recognized that science and technology constitute the primary productive force. In 2025, Milkyway successfully introduced AI large language model technology, optimizing the MCP technical middleware and launching MCP 5.0 Plus. This achieved a breakthrough in "LX-level" automatic billing functionality, helping drive the industry into a new phase of AI adoption. By obtaining Authorized Economic Operator (AEO) Advanced Certification and making a controlling investment in Shanghai Tuoqing Industrial Co., Ltd., we have further reinforced our compliance foundation and broadened our service coverage, delivering more competitive end-to-end supply chain solutions for global clients.

## Green and low-carbon: fulfilling ecological commitments.

As a responsible corporate citizen, we actively respond to China's carbon peaking and carbon neutrality goals and embed green development into our corporate DNA. In 2025, we officially launched Carbon Management System 1.0, which quantifies

our carbon asset value through scientific carbon inventory and accounting, laying a solid foundation for achieving the emission reduction targets by 2025, 2030, and 2050. We demonstrate our commitment to "green logistics" through concrete actions: Photovoltaic power generation facilities have been widely installed across our warehouse bases nationwide, with solar photovoltaic panels at our warehouses in Ningbo, Zhenjiang, Zhangjiagang, Shanghai Nanhui, Jiading, Jinshan, and Fengxian already connected to the grid. At the same time, we continuously enhance electrification in our operations, with fully electric forklifts now accounting for over 96.33% of our forklift fleet.

## Putting people first: co-creating social value.

Safety is the lifeline of Milkyway and our solemn commitment to society. Over the past year, leveraging our self-developed ASM hazardous material control platform, we achieved 24/7 intelligent monitoring of operational sites and conducted 142 safety emergency drills, reinforcing our work safety management system. We recognize that talent is the most valuable asset of an enterprise. By continuously optimizing our talent development systems and incentive mechanisms, we not only safeguard the rights and well-being of employees but also cultivate high-caliber professionals for the industry. Our efforts have also earned widespread recognition from partners. From winning annual awards from clients like DuPont and Jiangsu Nata Opto-electronic Material Co., Ltd. ("Jiangsu Nata Opto") to showcasing at international exhibitions such as Convention of Pharmaceutical Ingredients (CPHI), these achievements testify to the deep, mutually beneficial partnerships Milkyway has built with its partners.

Looking ahead to 2026, we stand at the starting line of a new cycle, ready to break through growth bottlenecks, fully realize the grand blueprint of the Company's "Sixth Five-Year Plan", and initiate comprehensive preparations for the "Seventh Five-Year Plan". We will continue to maintain our strategic focus, leveraging new technologies to activate existing resources while fostering new ones through teamwork and investments. We remain steadfast in pursuing sustainable development, seeking commercial success while protecting the environment and giving back to society.

Our gratitude extends to every partner who walks alongside Milkyway. Let us move forward together, navigate challenges side by side, and set sail toward a safer, more efficient, and greener future.

**Chen Yinhe,**  
Chairman of Milkyway Intelligent  
Supply Chain Service Group Co., Ltd.

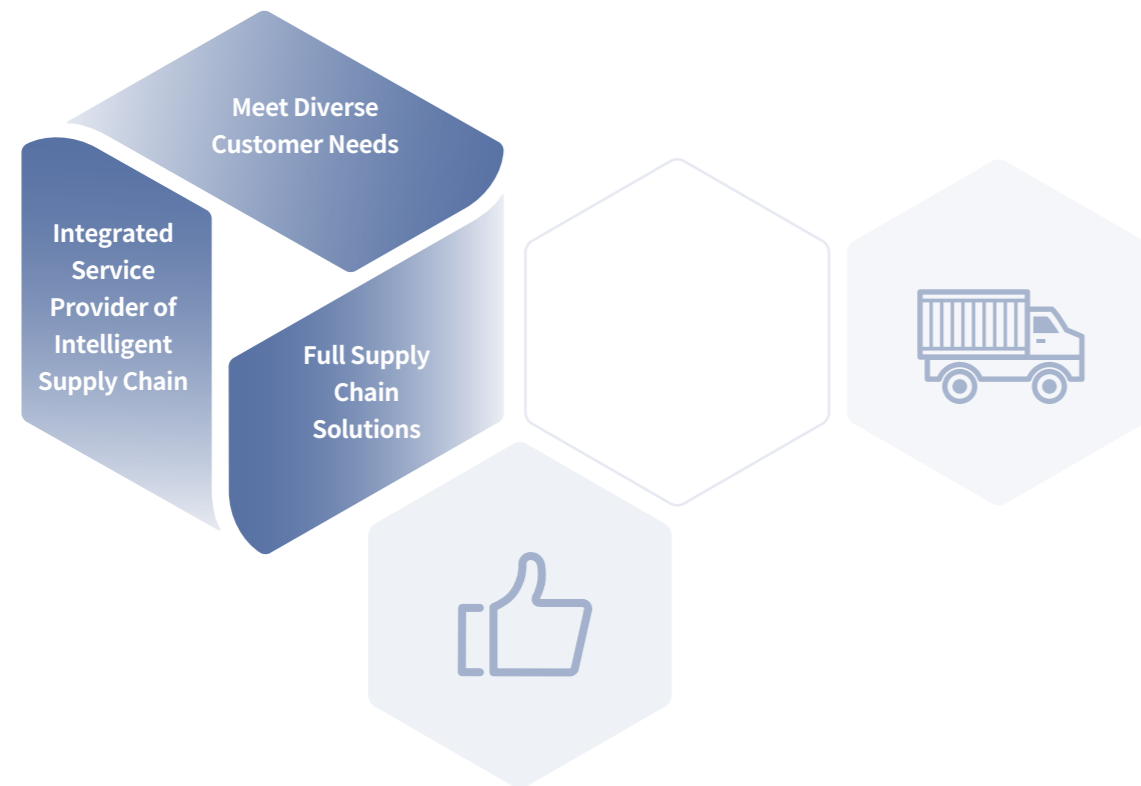




# About Milkyway

## Company Profile ●●●

Milkyway Intelligent Supply Chain Service Group Co., Ltd. ("Milkyway") is a leading integrated intelligent supply chain service provider in China. Milkyway offers one-stop comprehensive logistics services centered on freight forwarding, warehousing, and transportation. Building upon these logistics services, Milkyway has expanded into product distribution and safety and environmental protection services, gradually forming integrated trade-logistics services. The services of each business segment are closely interconnected and develop in synergy, catering to diverse needs of clients across different industries, regions, and scales through both online and offline channels. Milkyway went public on the Shanghai Stock Exchange in July 2018 (stock abbreviation: Milkyway, stock code: 603713). Milkyway remains focused on its core business and deepens expertise, consistently striving to provide clients with one-stop end-to-end supply chain solutions worldwide.



## Corporate Culture ●●●



### Mission

Make society safer and supply chain more efficient



### Vision

Milkyway aspires to become the steadfast mountain for the global chemical and new energy supply chain industry

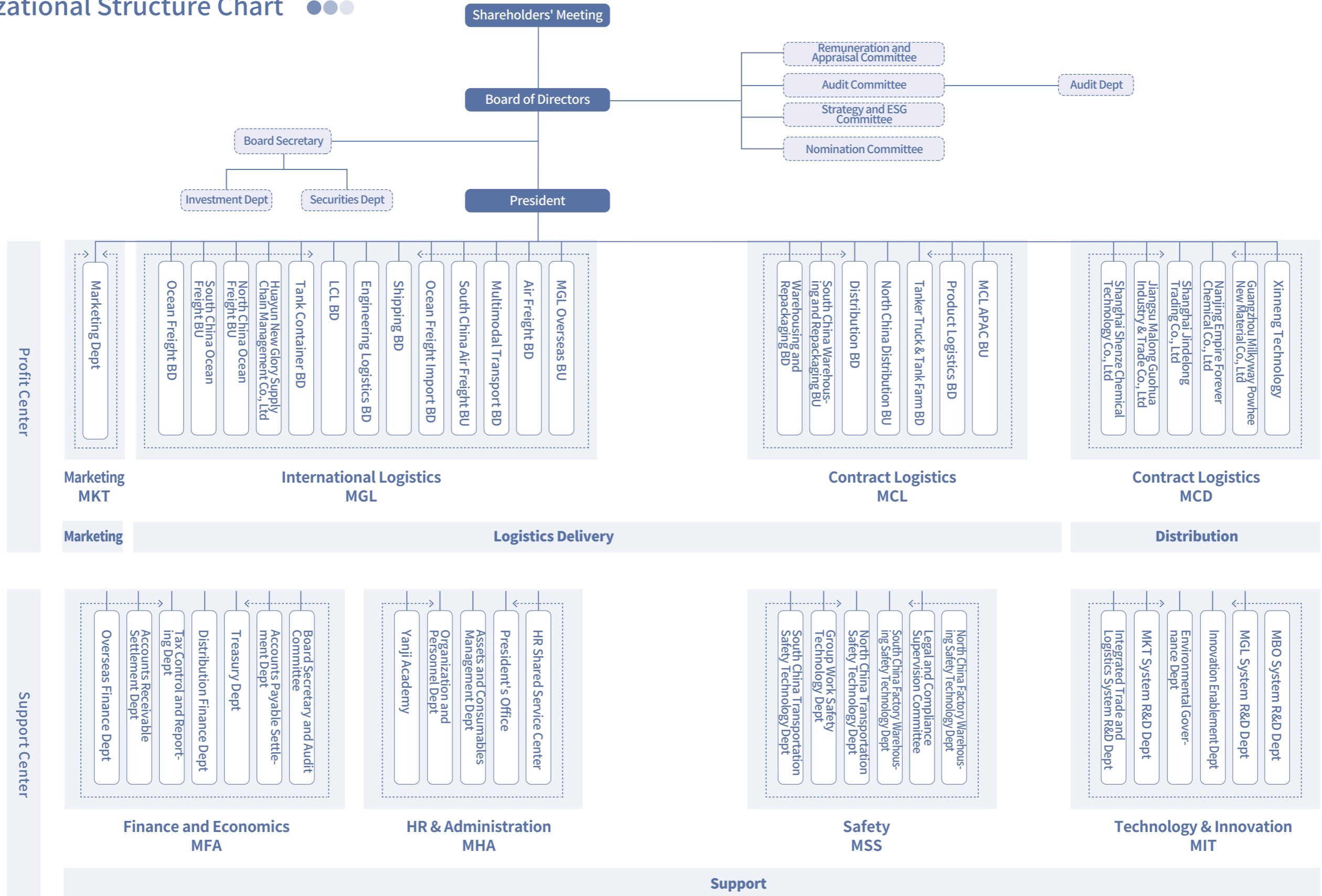


### Core Values

Customer Centric Striven Oriented Creating Value Foremost



# Organizational Structure Chart





# Strategic Layout

## Core Business

### MGL Global International Logistics

Milkyway provides international ocean and air freight and railway import and export freight forwarding services for chemical hazardous materials on routes between Chinese ports and global destinations. As a primary freight forwarder with NVOCC, CASS, and FMS qualifications, we maintain close partnerships with shipping lines, airlines, China Railway, and others to ensure stable freight rates and shipping space availability.

## Ocean Freight

### Full Container Load (FCL)

- Milkyway provides one-stop door-to-door services for high-hazard chemicals (such as classes 2, 4, 5.2, 6.1, and 7), refrigerated and temperature-controlled chemicals, and general cargo on all ship routes, covering ocean freight import/export pickup, space booking, and final delivery to clients.



### Container Trucking



### Less-than-Container Load (LCL)

- Milkyway provides clients with one-stop services for the import and export of chemical products and IMDG-compliant hazardous materials of classes 3, 4.1, 6.1, 8, and 9, including the door-to-port pickup, customs declaration, inspection declaration, and space booking at the origin port, as well as the customs clearance, delivery, and LCL deconsolidation at the destination port.



## Air Freight

### International

- Milkyway provides one-stop services for specialized cargo such as hazardous materials, lithium batteries, vehicles, refrigerated containers, and precision instruments, covering sampling, arranging cargo transport condition identification, declaration and delivery, international air import/export transportation, and final delivery to the consignee.



### Domestic



## Railway and Cross-border Road Transport

### Multimodal Transport



### Domestic Railway—Rail-Water Intermodal Transport



## Engineering Logistics

### Project Chartering



### Integrated Planning of Engineering Project Logistics Solution



## Tank Loading and Shipping

### Tank Container Transportation

- Milkyway operates 7,000 tank containers and provides door-to-door transportation services at home and abroad.



### Tank Container Yard

- Milkyway operates 7 tank container cleaning stations in Shanghai, Zhangjiagang, Yantai, Nanjing, Huizhou, Malaysia, and Singapore.



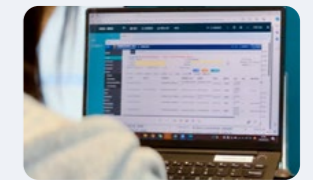
### Chemical tanker

- Liquid bulk carrier, heavy lift vessel, asset, ship chandler, ship management, shipping.



## Customs Affairs

### Customs Declaration Highlights



### Customs Affair Consulting



### Assistance with Certificates





### MCL Global Contract Logistics

Milkyway offers nationwide road transportation and port entry/exit services for various chemicals, builds a three-tier transport network capability covering intra-city distribution, intercity express, and trunk line express, and provides nationwide services such as chemical contract logistics, reverse logistics, and small parcel express.

#### Contract Logistics

Delivering customized solutions for clients

Market Research

Resource Integration

Continuous Optimization

Solution Planning

Operational Implementation

#### Product Logistics

Compliant point-to-line operations with multiple transportation modes for client selection

Express Products

Trunk Line Products

Hazardous Waste Transportation

Special Island Routes

Heavy Tonnage Substance Transportation

Chemical Refrigeration

#### Management Output

**Eco-partner+**

Comprehensive empowerment in brand, technology, network, capital, management, and business

**In-factory logistics**

Factory warehouse, internal transfer, repackaging, blending, loading/unloading, equipment, and safety technical services



### MCD Differentiated Distribution

#### Online Platform

Seamless connectivity across the chemical industry chain through information technology, providing end-to-end digital innovation services including product, procurement, supply chain, and operational digitization.

#### Integrated Trade and Logistics

Integrated warehousing and distribution, with self-owned trucks, railways, tank containers, and tanker trucks deployed near the forward stocking location.

#### Application Capabilities

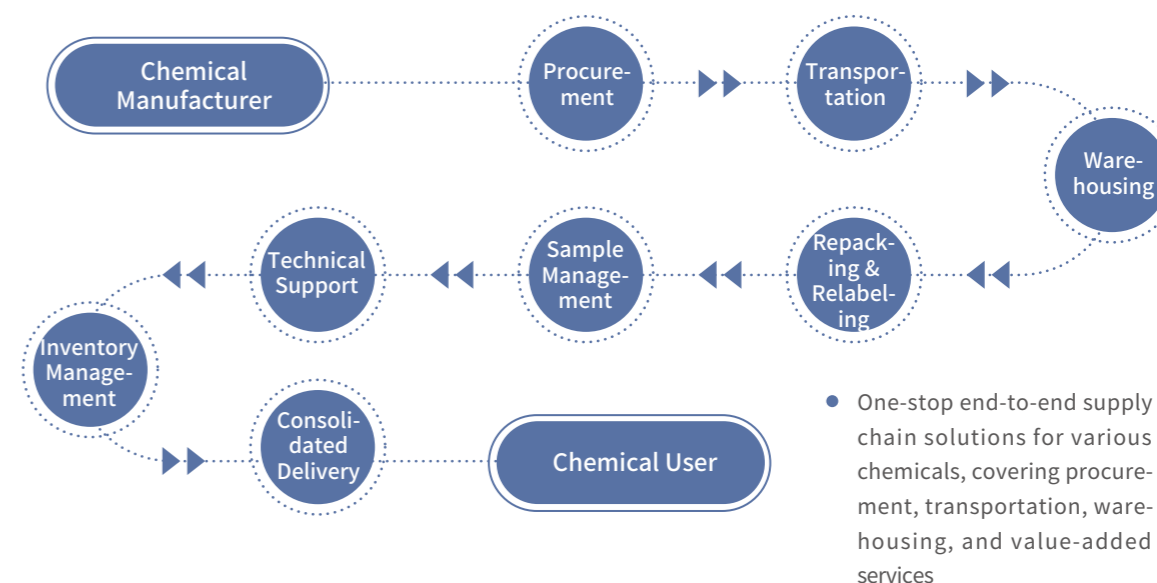
Maintaining close collaboration with world-leading chemical giants upstream, while developing regional and product-specific distribution and application support capabilities downstream

Self-built solid and liquid blending workshops with supporting laboratories

#### Distribution Channels

Focusing on industries such as new energy/clean energy, biopharmaceuticals, chips, semiconductors, aerospace, daily chemicals, and consumer goods, and accumulating a large group of end clients

### Chemical Distribution and Supply Chain Value-Added Services




#### Basic Chemicals

|  |   |   |
|--|---|---|
| <p><b>Hydrocarbon Solvent</b><br/>Inorganic Product</p> <p>Aromatic Hydrocarbons<br/>Alkanes<br/>Isoparaffins</p> <p>Inorganic Salts<br/>Acids<br/>Alkalis</p> | <p><b>Oxygenated Solvent</b><br/>Nitrogen-containing Solvent and Its Substitute</p> <p>Alcohols<br/>Esters<br/>Ethers</p> <p>Yellow Phosphorus<br/>Phosphoric Acid<br/>Phosphorus Trichloride</p> | <p><b>Alkanol-amine Solvent</b></p> <p>Ketones<br/>Alcohol<br/>Ethers</p> <p>NMP<br/>DMF<br/>DMAC</p> |
|--|---|---|




### Functional Chemicals

|  |  |   |
|--|--|---|
| <b>Solvent Oil Wax Epoxy Curing Agent</b><br>Dearomatized Solvent Oil<br>Isoparaffins<br>Adipic Acid<br>EGDA | <b>Plasticizer Eco-friendly Solvent Phenol</b><br>DOP<br>DINP<br>DOTP<br>DOA | <b>Intermediate Epoxy Resin Gasoline and Diesel Detergent</b><br>Fischer-Tropsch Wax<br>PE/PP Wax |
|--|--|---|



### Specialty Chemicals

|   |  |  |
|---|--|--|
| <b>Polyurethane Organosilicone Biocide</b><br>HDI/MDI<br>TD/IPDI<br>Silicone Oil<br>Silicone Rubber | <b>Alcohols Defoamer Cleaning Agent</b><br>IPA/NPA<br>PG/DPG<br>NBA/IBA<br>DEG/TEG | <b>Ethers Crosslinking Agent Surfactant</b><br>DE/BDG<br>DCS/DPM<br>PNB/DPNB<br>PM/DPM |
|---|--|--|



## Business Layout

Milkyway has established seven major operational regions across the globe: Shanghai Region, Southern Region (Guangzhou, Dongguan, Shenzhen, Huizhou, Zhanjiang, Fangchenggang, Xiamen, Fuzhou, and Quanzhou), Northern Region (Tianjin, Dalian, and Yingkou), Shandong Region (Qingdao and Yantai), Western Region (Chengdu, Xi'an, Chongqing, and Kunming), and Yangtze River Region (Zhenjiang, Nanjing, Zhangjiagang, Lianyungang, Changsha, and Jingzhou) and Asia Pacific Region. In addition, the Company began expanding into international markets in 2021, establishing subsidiaries in the United States, Singapore, Hong Kong, Malaysia, Vietnam, Thailand, South Korea, and other countries or regions, forming a relatively complete global network. The establishment of cluster networks and international subsidiaries enables Milkyway to better serve global clients by providing more efficient and responsive supply chain solutions, achieving win-win development with clients and partners.

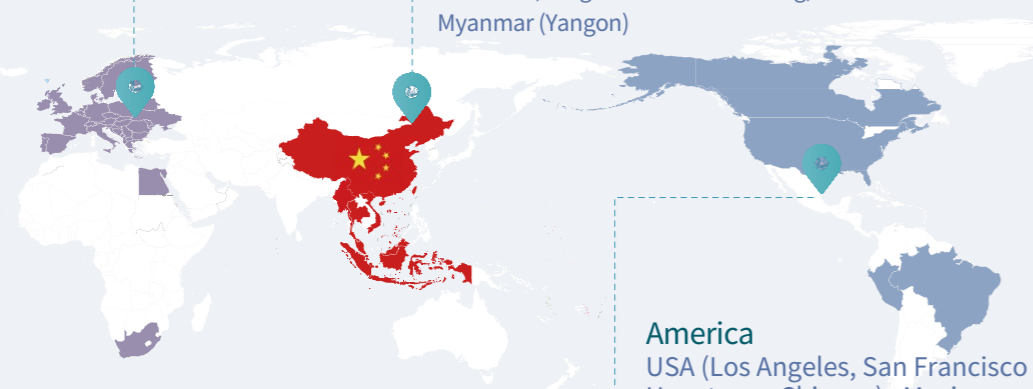
### 01 Europe/Africa

Germany (Frankfurt).  
Serbia, Poland, Hungary.  
Egypt and South Africa.

### 02 Asia Pacific

China  
Singapore (Singapore)  
Malaysia (Kuala Lumpur)  
Vietnam (Hanoi)  
Thailand (Bangkok & Laem Chabang)  
Myanmar (Yangon)

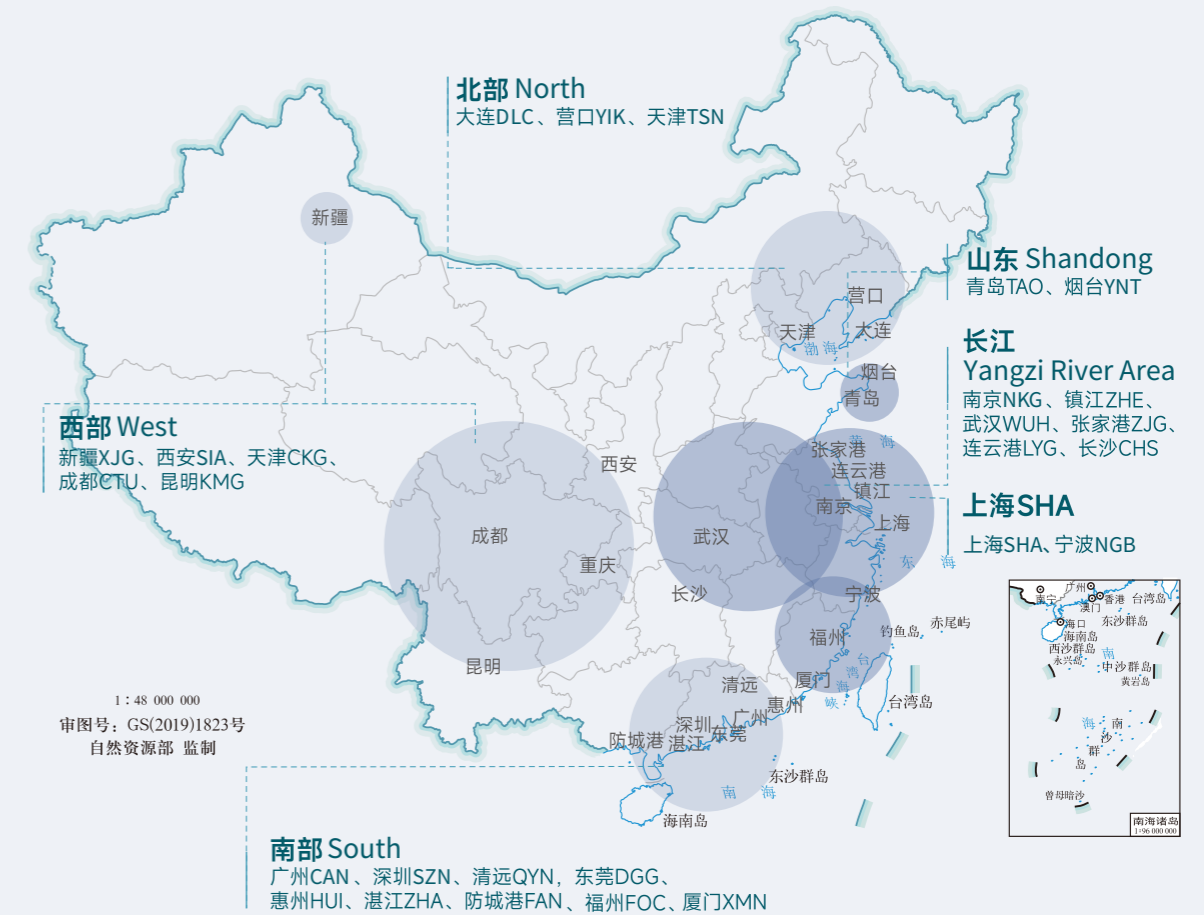
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### 03

### America

USA (Los Angeles, San Francisco, Houston, Chicago), Mexico, Peru, and Brazil





## 2025 Milestones ●●●

### 01

Following the finalization of the "Two Core Pillars and Two Defensive Lines" strategy, the Company established the Milkyway Intelligent Management System and developed the MCP system to support the implementation of advanced practices.

### 02

The Company has achieved remarkable results in its ESG initiatives, achieving 100% coverage of solar panels on available roofs of its owned properties, establishing an action plan and management system for electric trucks, and further increasing sponsorship for women's golf and youth fencing.



### 03

The Company's MCP 5.0 system has achieved digitalization and interconnectivity of all objects and processes, with notable breakthroughs in budgeting, BI, tools, MiWen intelligent Q&A, intelligent recognition, automated billing, and intelligent vehicle dispatching.

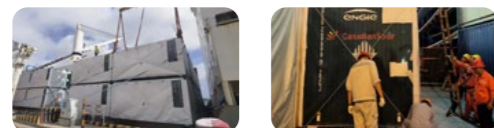


### 04

In 2025, The Company obtained one national invention patent, one utility model patent, and 27 software copyrights.

### 05

The Company has continued to optimize its client structure, achieving significant progress in strategic emerging industries and key regional markets. It has successfully acquired new clients such as CNOOC and Shell Petrochemicals Company Limited, BYD Auto Co., Ltd., and Sungrow Power Supply Co., Ltd., expanded into new businesses like Albemarle lithium ore transportation and Envision Energy's energy storage projects, and achieved deep market penetration in the Daya Bay region. New markets, including Thailand, Vietnam, Houston, South Korea, and Hong Kong, China, are now primed for expansion.



### 06

In government affairs, the Company successfully delivered integrated hazardous material bases in Yantai, Qingdao, and Fangchenggang. It completed land registration and listing and capacity expansion for Chipolbrok Vessel Supply Projects at Huizhou, Pudong Airport, and Gaoxing. Financial subsidies from Shanghai and Zhangjiagang governments helped the Company maintain a healthy profit and loss position.



### 07

The Company has shifted its growth drivers from investment to innovation, pioneering a range of new businesses, including cloud-based warehouse management services, inland wind power, oversized project cargo logistics, overseas delivery of energy storage cabinets, DG air express, military-civilian logistics, and shipping vessel asset management.



### 08

The Company has received multiple honors from government agencies and clients. These include being designated as the Headquarters of "Going Global" Enterprise in Pudong New Area; ranking 2nd in annual total operating revenue among China's private international freight forwarding and logistics companies; being recognized as an annual supplier by renowned domestic and international clients such as ExxonMobil, Arkema, PETRONAS, DuPont, Wanhua Chemical Group Co., Ltd., and Jiangsu Nata Opto. In addition, Nanjing Empire Forever Chemical Co., Ltd. has won Dow Chemical's Outstanding Distributor Award for three consecutive years.



### 09

The Company's annual distribution revenue exceeded RMB1.5 billion for the first time. Product logistics and contract logistics advanced side by side, and the diversified business development model has begun to yield results, achieving year-on-year growth in the number of business units generating a revenue of over RMB100 million.



## Honors for 2025 ●●●

| Honors and Certifications from Government and Public Welfare Organizations  |   |                |
|---|---|----------------|
| Honors and Certifications   | Issuing Authority   | Issuance Date  |
| 2024 "Excellent Employee Home" of Jinqiao Economic and Technological Development Zone   | The Trade Union of the Shanghai Jinqiao Economic and Technological Development Zone   | February 2025  |
| Lingang Special Area "Going Global" Shortlisted Case (Shanghai Milkyway Chemical Logistics Co., Ltd.)                                     | Lingang Special Area "Going Global" Comprehensive Service Platform  | March 2025     |
| Headquarters of "Going Global" Enterprise in Pudong New Area  | People's Government of Pudong New Area, Shanghai  | June 2025      |
| Excellent Organization for Cultivation of "Jinqiao Craftsman"   | Jinqiao Administration Bureau Under China (Shanghai) Pilot Free Trade Zone Management Committee, Shanghai Jinqiao (Group) Co., Ltd., Shanghai Jinqiao Export Processing Zone Development Co., Ltd., and the Trade Union of the Shanghai Jinqiao Economic and Technological Development Zone | September 2025 |
| 2025 Excellent Enterprise Award of Dachang Town, Baoshan District, Shanghai (Shanghai Chemical Goods Automobile Transportation Co., Ltd.) | CPC Dachang Town Committee, Baoshan District, People's Government of Dachang Town, Baoshan District, Shanghai   | January 2026   |

| Honors and Certifications from Clients, Suppliers, and Media Authorities                      |   |               |
|---|---|---------------|
| Honors and Certifications   | Issuing Authority                                       | Issuance Date |
| DuPont Valued Partnership Award (Shanghai Milkyway Chemical Logistics Co., Ltd.)              | DuPont  | January 2025  |
| 2024 Excellent Logistics Service Provider (Shanghai Milkyway Chemical Logistics Co., Ltd.)    | Petronas Lubricants International China Company Limited | January 2025  |
| Outstanding Driving Safety Performance Award (Shanghai Milkyway Chemical Logistics Co., Ltd.) | ExxonMobil  | February 2025 |
| 2024 Best Logistics Award (Shanghai Milkyway Chemical Logistics Co., Ltd.)                    | Jiangsu Nata Opto-electronic Material Co., Ltd.         | March 2025    |
| 2024 Innovation Leadership Award (Shanghai Milkyway Chemical Logistics Co., Ltd.)             | Zhejiang E-P IMP. & EXP. Co., Ltd.                      | March 2025    |
| 2024 Strategic Supplier   | Arkema Greater China                                    | March 2025    |

|  |   |               |
|--|---|---------------|
| Advanced Contractor Team Award (Shanghai Milkyway Chemical Storage Co., Ltd.)                          | Wanhua Chemical Yantai Production Base                      | April 2025    |
| 2025 Best International Business Value   | Shanghai Minhang Branch of Bank of Communications Co., Ltd. | November 2025 |
| 2025 Best International Business Contribution (Shanghai Milkyway Chemical Logistics Co., Ltd.)         | Shanghai Minhang Branch of Bank of Communications Co., Ltd. | November 2025 |
| 2025 Excellent Partner Award (Shanghai Milkyway Chemical Logistics Co., Ltd.)                          | Intermediate BU of Zhejiang Longsheng Group                 | January 2026  |
| 160,000 Man-Hour Outstanding Safety Performance Award (Shanghai Milkyway Chemical Logistics Co., Ltd.) | ExxonMobil (Huizhou) Chemical Co., Ltd.                     | January 2026  |
| 2025 Excellent Supplier (Shanghai Milkyway Chemical Logistics Co., Ltd.)                               | Shenghong Holding Group Co., Ltd.                           | January 2026  |
| 2025 Excellent Supplier (Jiangsu Malong Guohua Industry & Trade Co., Ltd.)                             | Zhejiang Xinan Chemical Industrial Group Co., Ltd.          | January 2026  |
| 2025 Best Collaborative Supplier (Shanghai Huayun New Glory Supply Chain Management Co., Ltd.)         | Canadian Solar Inc.   | February 2026 |
| Best Collaboration Award (Shanghai Milkyway Chemical Logistics Co., Ltd.)                              | Trina Solar Co., Ltd.                                       | February 2026 |
| 2025 Excellent Logistics Supplier of the Year (Shanghai Milkyway Chemical Logistics Co., Ltd.)         | PETRONAS International Lubricants (China) Co., Ltd.         | March 2026    |

| Industry Honors and Certifications  |   |               |
|---|---|---------------|
| Honors and Certifications   | Issuing Authority   | Issuance Date |
| Membership Certificate of International Shipping Enterprise Association (ISEA)  | International Shipping Enterprise Association                       | March 2025    |
| 2025 BIC Certificate (Shanghai Milkyway Chemical Logistics Co., Ltd.)   | Bureau of International Containers (BIC)                            | March 2025    |
| 2025 Membership of International Federation of Freight Forwarders Associations (FIATA) (Shanghai Milkyway Chemical Logistics Co., Ltd.) | International Federation of Freight Forwarders Associations (FIATA) | March 2025    |



|  |   |                |
|--|---|----------------|
| 2025 Membership Certificate of China International Freight Forwarders Association (Shanghai Milkyway Chemical Logistics Co., Ltd.) | China International Freight Forwarders Association                  | March 2025     |
| Sample Organization by Oversized Cargo Logistics Index   | China Association of Water and Electric Power Materials Circulation | March 2025     |
| 2025 Outstanding Individual in Member Enterprise's Oversized Cargo Logistics Data Statistics                                       | China Association of Water and Electric Power Materials Circulation | March 2025     |
| 2025 WCA Membership Certificate (Shanghai Milkyway Chemical Logistics Co., Ltd.)   | WCA Dangerous Goods   | June 2025      |
| No. 2 in Total Operating Revenue Among China's Private International Freight Forwarding and Logistics Companies in 2024            | China International Freight Forwarders Association                  | September 2025 |
| No. 9 in Total Operating Revenue Among China's International Freight Forwarding and Logistics Companies in 2024                    | China International Freight Forwarders Association                  | September 2025 |
| AAAA Logistics Enterprise (Sichuan Milkyway Xiongfeng Supply Chain Management Co., Ltd.)   | China Federation of Logistics & Purchasing                          | September 2025 |
| Shanghai's "Emerging Global Pioneer" High-Quality Headquarters Enterprise  | Shanghai Headquarters Enterprise Development Promotion Association  | December 2025  |
| Excellent Global Expansion Case Award  | Cailian Press   | December 2025  |
| 2024 Excellent Customs Declaration Organization in Shanghai Customs District   | Shanghai Customs Brokers Association                                | December 2025  |
| 2025 CIFA Membership Certificate (Shanghai Milkyway Chemical Logistics Co., Ltd.)  | China International Freight Forwarders Association                  | December 2025  |

| Certification of Qualifications                           |   |                    |
|---|---|--------------------|
| Legal Entity  | Certificate Type  | Certificate Status |
| Milkyway Intelligent Supply Chain Service Group Co., Ltd. | AEO Certified Enterprise Certificate                                    | Valid              |
|   | D-U-N-S® Registered™ Certificate  |                    |
| Shanghai Milkyway Chemical Storage Co., Ltd.              | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015) | Valid              |

|  |   |       |
|--|---|-------|
| Shanghai Milkyway Chemical Storage Co., Ltd.             | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) | Valid |
|  | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  |       |
| Shanghai Milkyway Chemical Logistics Co., Ltd.           | Grade III Enterprise for Work Safety Standardization (Hazardous Chemicals)                      | Valid |
|  | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         |       |
|  | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) |       |
|  | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  |       |
| Shanghai Chemical Automobile Transport Co., Ltd.         | Grade II Work Safety Standardization (Road Transport of Dangerous Goods)                        | Valid |
|  | Grade II Work Safety Standardization (Motor Vehicle Maintenance)                                |       |
|  | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         |       |
|  | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) |       |
| Shanghai Zhenyi Enterprise Development Co., Ltd.         | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  | Valid |
|  | Grade II Work Safety Standardization (Road Transport of Dangerous Goods)                        |       |
| Nanjing Milkyway Chemical Supply Chain Service Co., Ltd. | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
|  | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) |       |

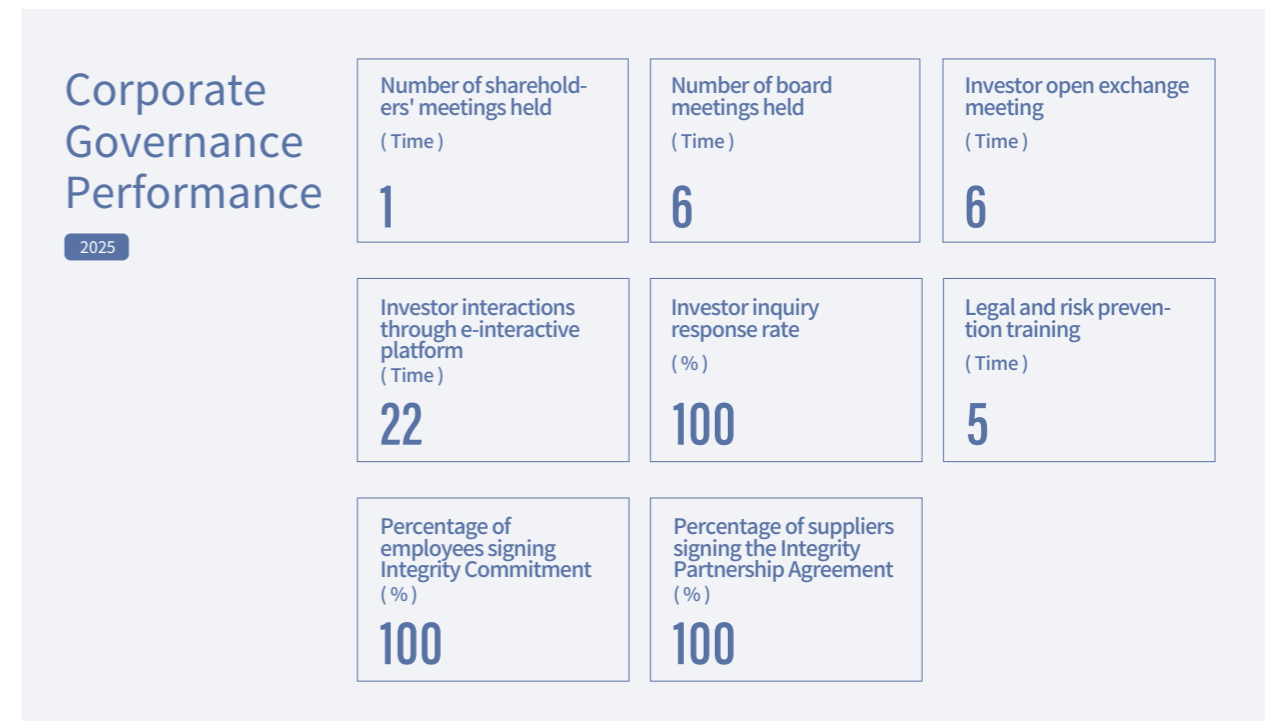
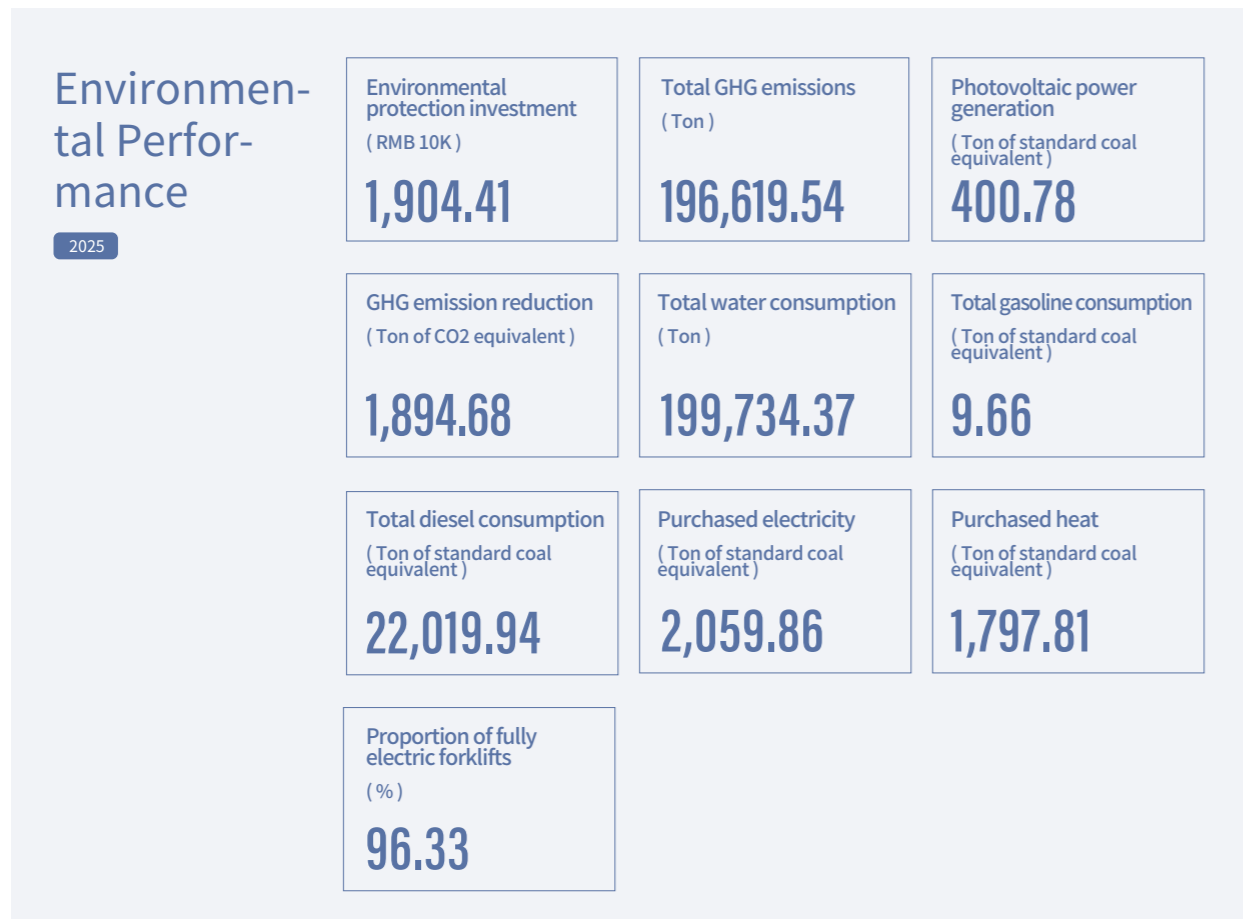
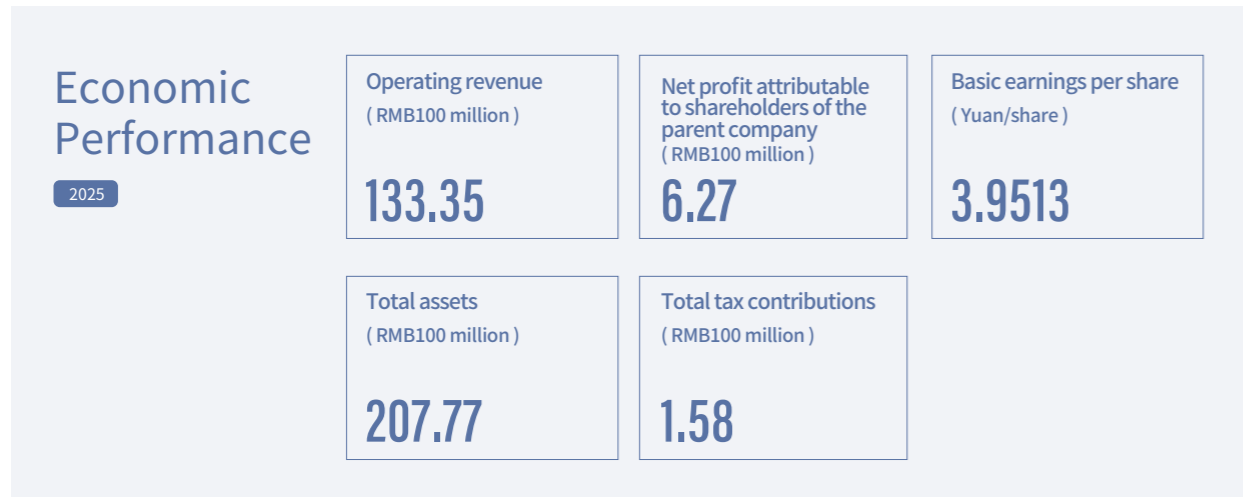


|  |   |       |
|--|---|-------|
| Nanjing Milkyway Chemical Supply Chain Service Co., Ltd.       | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  | Valid |
| Zhenjiang Baohua Logistics Co., Ltd.                           | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
|  | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) |       |
|  | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  |       |
|  | Grade I Work Safety Standardization (Road Transport of Dangerous Goods)                         |       |
| Huizhou Milkyway Transportation Co., Ltd.                      | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
|  | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) |       |
|  | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  |       |
| Sichuan Milkyway Xiongfeng Supply Chain Management Co., Ltd.   | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
|  | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) |       |
|  | Grade III Work Safety Standardization (Road Transport of Dangerous Goods)                       |       |
| Qingdao Milkyway Chemical Storage and Transportation Co., Ltd. | Grade III Work Safety Standardization (Road Transport of Dangerous Goods)                       | Valid |
| Zhangjiagang Free Trade Zone Bus Logistics Co., Ltd.           | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
|  | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  |       |

|  |   |       |
|--|---|-------|
| Zhangjiagang Free Trade Zone Bus Logistics Co., Ltd.     | Grade II Enterprise for Work Safety Standardization (Chemical Industry)                         | Valid |
| Tiankom Dongxu Logistics Co., Ltd.                       | Grade III Enterprise for Work Safety Standardization (Hazardous Chemicals)                      | Valid |
| Shanghai Milkyway Huili Shipping Co., Ltd.               | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
| Shanghai Lingxing Hazardous Chemical Logistics Co., Ltd. | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
| Shanghai Milkyway ISO Tank Service Co., Ltd.             | Grade III Enterprise for Work Safety Standardization (Commerce & Trade)                         | Valid |
| Hunan Xianglong Warehousing & Logistics Co., Ltd.        | Grade III Enterprise for Work Safety Standardization (Hazardous Chemicals)                      | Valid |
| MILKYWAY INTERNATIONAL CHEMICAL STORAGE PTE. LTD.        | Quality Management System Certification (ISO 9001:2015)   | Valid |
|  | Occupational Health and Safety Management System Certification (SS 651:2019/ ISO 45001:2018)    |       |
|  | Environmental Management System Certification (ISO 14001:2015)                                  |       |
|  | Occupational Health and Safety Management System Certification (ISO 45001 & SS 651)             |       |
| Guangzhou Milkyway Powhee New Material Co., Ltd.         | Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015)                         | Valid |
|  | Occupational Health and Safety Management System Certification (GB/T 45001-2020/ISO 45001:2018) |       |
|  | Environmental Management System Certification (GB/T 24001-2016/ISO 14001:2015)                  |       |



## About 2025





# Deepening Sustainable Development Practices to Build a New Blueprint for High-Quality Development

## Sustainable Development ●●●

Milkyway elevates sustainable development management to a strategic priority and actively implements the new development philosophy of innovation, coordination, greenness, openness, and shared growth. By continuously optimizing the sustainable development governance framework and strengthening the risk control system, Milkyway steadily enhances sustainable development management effectiveness, striving to achieve sustainable and mutually beneficial development with the environment and society.

### | Sustainable Development Vision and Goals |

| SDGs | Sustainable Development Goal Detail  | Corporate Initiative   |
|------|--|--|
|      | Ensure healthy lives and promote well-being for all at all ages                                      | Uphold safe and compliant operations by implementing occupational disease prevention measures, conducting safety education and training, and providing employee health check-ups to safeguard health and safety of employees       |
|      | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Strengthen faculty development by building training platforms and providing employees with diverse training and development opportunities to continuously enhance their professional skills and competencies                       |
|      | Achieve gender equality and empower all women and girls  | Eliminate gender discrimination in the workplace by establishing fair remuneration practices, safeguarding the legitimate rights and interests of female employees, and fostering a harmonious and inclusive workplace environment |
|      | Clean, accessible water for all is an essential part of the world we want to live in                 | Promote green office practices, conserve water resources, and actively carry out wastewater treatment, thereby enhancing employees' environmental awareness  |
|      | Ensure access to affordable, reliable, sustainable, and modern energy for all                        | Adopt new energy vehicles and advance rooftop photovoltaic power generation projects   |



| SDGs | Sustainable Development Goal Detail   | Corporate Initiative  |
|------|---|---|
|      | Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all  | Continuously optimize talent recruitment and retention systems, reduce labor intensity through digital and intelligent transformation; establish a comprehensive remuneration management system and create clear, transparent career development pathways |
|      | Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation  | Establish an R&D innovation system, encourage R&D innovation activities, and strengthen intellectual property protection  |
|      | Reduce inequality within and among countries  | Advocate for an equal and diverse workplace environment, ensuring employees enjoy equal treatment in recruitment, compensation, training, and promotion   |
|      | Ensure sustainable consumption and production patterns  | Fully safeguard rights and interests of clients; emphasize resource conservation and strengthen waste recycling and reuse   |
|      | Take urgent action to combat climate change and its impacts   | Actively support the carbon peaking and carbon neutrality goals by promoting energy conservation and emission reduction, advocating green office practices, and encouraging the use of clean energy and development of green logistics                    |
|      | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels | Standardize corporate governance by improving risk control and internal control systems, upholding integrity in business operations and anti-corruption, and enhancing investor relations management  |
|      | Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development  | Build an accountable supply chain by implementing strict supplier admission, audit, evaluation, and exit mechanisms to promote collaborative development with partners  |



## Sustainable Development Governance

The Company focuses on institutional development by formulating and implementing the Sustainable Development Management Policy. It has established a top-down, cross-functional ESG working mechanism to enhance organizational effectiveness and fully integrated ESG considerations into corporate decision-making and all business operations, enhancing both strategic planning and effective implementation.



The Company has also built a tiered and collaborative ESG governance framework. This clarifies the core responsibilities of each governing body and ensures the orderly advancement of sustainable development initiatives.



**Due Diligence:** The Company conducts regular reviews of the progress of sustainable development management practices at all levels through document reviews, department interviews and other methods. This enables the Company to assess the materiality of various sustainable development topics, as well as their associated risks and opportunities, providing a basis for setting priorities for future sustainable development management.

## Stakeholder Engagement

The Company has established a regular, multi-channel communication mechanism to systematically collect and analyze feedback and suggestions from investors, clients, communities, and other stakeholders. Based on these insights, it implements targeted measures, continuously optimizes ESG governance, and fosters collaboration with all sectors of society to achieve a shared vision of mutual success.

| Stakeholder                                      | Expectation and Demand   | Communication and Response  |
|--|--|---|
| <br><b>Shareholders and Investors</b>            | <ul style="list-style-type: none"> <li>Enhancing Governance Structure</li> <li>Information Disclosure</li> <li>Improving Corporate Competitiveness</li> <li>Sustainable Development</li> <li>Reasonable Dividend Distribution</li> </ul>   | <ul style="list-style-type: none"> <li>Optimizing Governance Framework and Internal Management Systems</li> <li>Establishing Smooth Investor Relations Communication Channels</li> <li>Mergers &amp; Acquisitions and Integration</li> <li>Continuously Improving ESG Management</li> <li>Formulating Reasonable Dividend Policies</li> </ul>   |
| <br><b>Government and Industry Organizations</b> | <ul style="list-style-type: none"> <li>Operating in Compliance with Laws and Regulations</li> <li>Safe Operations</li> <li>Leading Industry Development</li> </ul>   | <ul style="list-style-type: none"> <li>Party Building as the Guide</li> <li>Compliance with Laws and Regulations</li> <li>Upholding Integrity in Business Practices</li> <li>Ensuring Safe and Environmentally Friendly Operations</li> <li>Actively Participating in Industry Policy Formulation</li> </ul>  |
| <br><b>Clients</b>                               | <ul style="list-style-type: none"> <li>Upholding Integrity in Business Operations</li> <li>Providing Safe, Innovative, and High-Quality Products and Services</li> <li>Premium and Convenient Services</li> <li>Collaboration and Exchange</li> <li>Expanding Service Scope</li> </ul>           | <ul style="list-style-type: none"> <li>Enhancing Regional Distribution and Service Capabilities</li> <li>Sustained Investment in R&amp;D Innovation</li> <li>Upgrading and Launching One-Stop Service Platform</li> <li>Improving After-Sales Complaint Management</li> <li>Customer Satisfaction Survey and Feedback</li> <li>Extending Environmental Protection Business</li> </ul> |
| <br><b>Suppliers</b>                             | <ul style="list-style-type: none"> <li>Honoring Contractual Commitments</li> <li>Fair and Transparent Procurement</li> <li>Experience Sharing</li> </ul>   | <ul style="list-style-type: none"> <li>Strict Adherence to Tendering Procedure</li> <li>Refining Procurement Policies</li> <li>Building a Sustainable Supply Chain</li> </ul>   |
| <br><b>Employees</b>                             | <ul style="list-style-type: none"> <li>Safeguarding Employees' Legitimate Rights and Interests</li> <li>Ensuring Occupational Health and Safety</li> <li>Professional Skill Development</li> <li>Comprehensive Remuneration and Promotion System</li> <li>Diverse Employee Activities</li> </ul> | <ul style="list-style-type: none"> <li>Compliance with Applicable Laws and Regulations</li> <li>Occupational Health Checkup</li> <li>Occupational Health and Safety Education</li> <li>Providing Training and Development Opportunities</li> <li>Employee Satisfaction Survey</li> <li>Organizing Recreational Activities</li> </ul>  |
| <br><b>Communities</b>                           | <ul style="list-style-type: none"> <li>Community Engagement</li> <li>Maintaining Ecological Safety</li> <li>Supporting Carbon Peaking and Carbon Neutrality Goals</li> </ul>   | <ul style="list-style-type: none"> <li>Supporting Sports Initiatives</li> <li>Promoting Environmental Protection Concepts</li> <li>Energy Conservation and Emission Reduction</li> <li>Ensuring Safe Disposal of Hazardous Waste</li> <li>Safeguarding Ecological Safety of Land Resources</li> </ul>   |



# Double Materiality Issue Assessment



Milkyway continuously improves its double materiality analysis mechanism for sustainability issues. Following the pathway that comprises background research, issue identification, assessment and determination of materiality, and issue report development, the Company carries out double materiality assessment, prioritization, and screening based on two key dimensions—financial materiality and impact materiality. During the reporting period, the Company determined its material issues based on the previous year's material issues and the latest assessments of relevant and potentially significant areas.

## Step 1 Background Research

Give full consideration to the Company's activities and business relationships. Comprehensively research domestic and international ESG policies and standards, ESG ratings, and industry peer practices. Identify stakeholder categories and establish and maintain communication channels with them.

## Step 2 Issue Identification

Building upon the previous year's ESG issue identification result, and considering relevant national policies, ESG standards and guidelines, the Company's business characteristics, and the benchmarking analysis result against industry peers, the Company consolidated and refined the phrasing of certain issues, and ultimately identified 25 material issues.

## Step 3 Assessment and Determination of Materiality

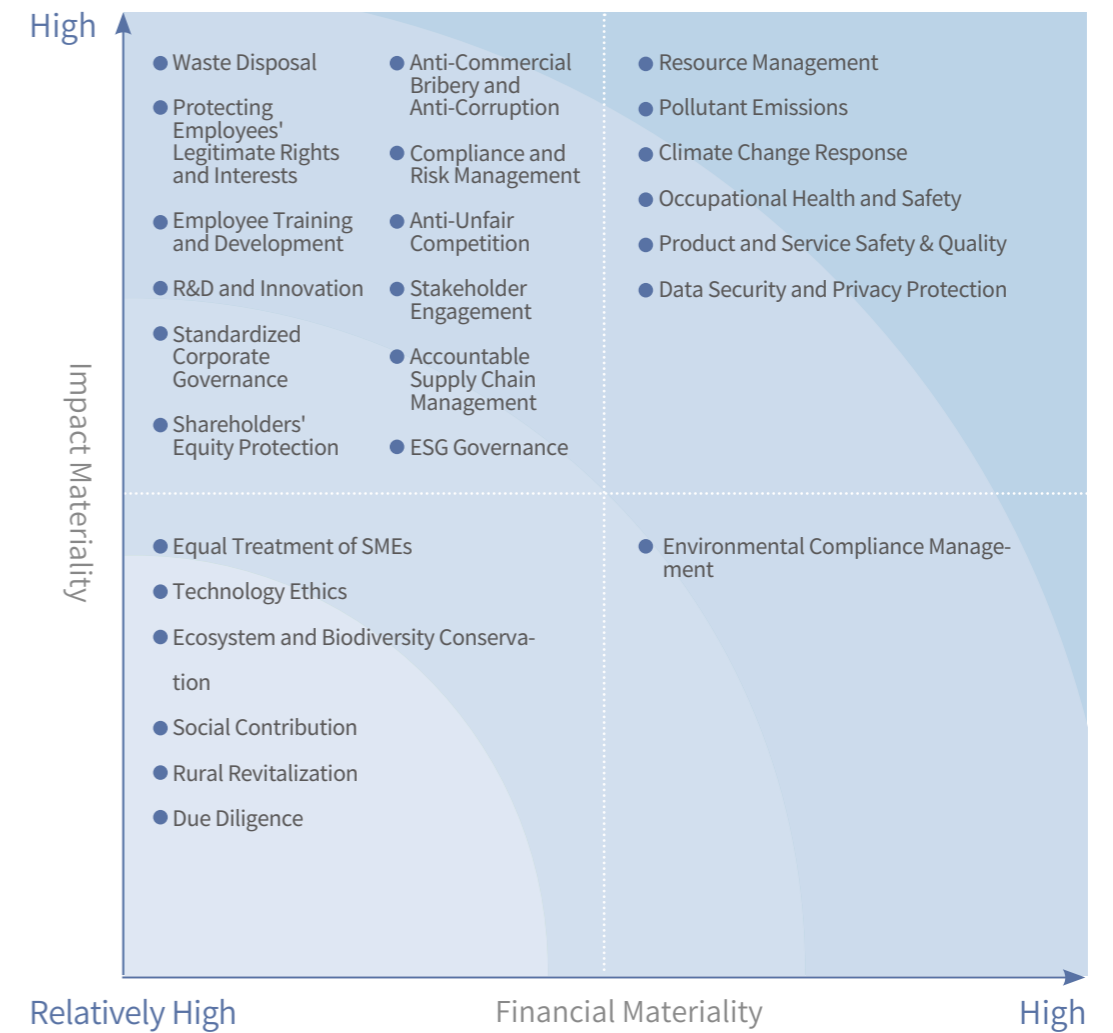
**Impact Materiality:** Impact materiality is primarily assessed from the perspective of internal and external stakeholders. Through expert consultations, stakeholder surveys, internal discussions, and other methods, the Company assesses issues from dimensions such as scale of impact, scope, likelihood, and remediability, and evaluates the potential impact of relevant issues, resulting in the impact materiality analysis result.

**Financial Materiality:** Through questionnaire surveys, internal discussions, and other methods, the Company holistically assesses the degree of impact and likelihood of risks and opportunities posed by issues on the Company's business model, operations, development strategy, and financial status, resulting in the financial materiality analysis result.

## Step 4 Issue Report Development

Disclose the analysis process, methodology, and results of materiality assessment, and provide targeted responses in the ESG report.

# 2025 Double Materiality Issue Identification Result



Note: The Company currently does not address the topics of "Technology Ethics," "Rural Revitalization," and "Social Contributions." Accordingly, this report does not include disclosures related to these topics.





# Expanding Overseas Presence to Build a Resilient Supply Chain Service System of Chemicals and New Energy

Globalization is one of the core strategies for Milkyway to achieve high-quality development. Building on its core chemical and new energy supply chain business and global win-win, Milkyway continues to deepen its overseas market expansion, expand its global service network, and strengthen cross-border resource integration. It also integrates sustainability concepts into the entire overseas expansion process to build a safe, efficient, and resilient global chemical and new energy supply chain service system. This supports the collaborative development of the global chemical industry and showcases the international competitiveness of Chinese logistics enterprises.

## Strategic Anchoring: Core Orientation and Strategic Planning for Global Expansion

Building on its domestic industrial foundation, Milkyway radiates to its core global markets, forming a globalization pattern that consolidates the Asia-Pacific region while expanding into Eastern Europe, the Middle East, the United States, and beyond. It focuses on high-end sectors such as specialty chemicals, biopharmaceuticals, new energy, and semiconductors while optimizing its domestic hub network. By establishing end-to-end channels connecting domestic bases, international ports, and overseas markets and relying on heavy asset investments in Singapore, Malaysia, Vietnam, Myanmar, Thailand, Milkyway provides solid support for overseas operations, achieving efficient, bidirectional collaboration between domestic and international supply chains.

**Completion and Operational Launch of Milkyway's Integrated Base in Shandong Region**





# Strategy Implementation: Key Initiatives and Practical Outcomes in Overseas Expansion

## Enhancing the Global Service Network to Improve Cross-Border Logistics Fulfillment Capabilities

- By acquiring shares in Tianjin Wuze Logistics Co., Ltd. and strengthening domestic and international wind power engineering logistics services, expanding chemical shipping services and other collaborations, Milkyway integrated key global port resources and enhanced its ocean freight operations and space booking platform. In the first half of 2025, it ranked 71st among Shanghai Port's U.S. route freight forwarders, climbing over 100 spots since 2023, while continuing to improve the efficiency of its cross-border logistics network.

Milkyway Ranked 71st Among Shanghai Port's U.S. Route Freight Forwarders in the First Half of 2025



## Deepening Presence in Core Overseas Markets and Expanding International Partnerships

Focusing on key regional markets, Milkyway deepened market penetration through participation in international exhibitions and high-level negotiations, consistently elevating its global influence.

- In the European market, Milkyway made consecutive appearances at the Transport Logistic Munich in Germany and the Chemspec Europe in Cologne, showcasing its integrated service capabilities in the chemical and new energy sectors. It successfully completed the maritime export project of Europe's largest sodium-ion energy storage cabinet, demonstrating its strength in international logistics services for large-scale energy storage equipment.



Milkyway Completed the Maritime Export Project of Europe's Largest Sodium-Ion Energy Storage Cabinet



Milkyway Appeared in the Transport Logistic Munich and Chemspec Europe

- In the South American market, Milkyway appeared at the Intermodal South America in São Paulo, Brazil, and established partnerships with local supply chain service providers, further expanding its presence in the Latin American market.

Milkyway Appeared in the Intermodal South America in São Paulo, Brazil



- In the Central Asian market, Milkyway hosted a visit by the former Prime Minister of Kyrgyzstan. Both parties reached cooperation consensus on supporting logistics for China-Kyrgyzstan Railway and new energy cold chain transportation, promoting further development of trade along the Belt and Road.

The Former Prime Minister of Kyrgyzstan Visited Milkyway and Engaged in Logistics Cooperation Exchange





## Focusing on High-End Niche Sectors to Build Differentiated Cross-Border Service Capabilities

Leveraging its industry expertise, Milkyway focuses on high-end segments like biopharmaceuticals, semiconductors, and new energy to deliver customized cross-border supply chain solutions.

In biopharmaceuticals, Milkyway consistently participated in CPHI China, showcasing cross-border logistics for pharmaceutical raw materials, GMP-compliant warehousing, and the MCP intelligent supply chain system. It provides one-stop support for China's pharmaceutical exports, covering "last-mile" logistics needs.

Milkyway Appeared at the 23rd CPHI China



In the semiconductor sector, Milkyway made appearances at SEMICON China and the WESEMIBAY Semiconductor Ecosystem Expo 2025, offering customized solutions for import/export compliance and warehousing management of materials like photoresists and electronic special gases. It also hosted dedicated live streaming sessions to interpret industry pain points.

Milkyway Appeared at the SEMICON China and Engagement in the Semiconductor Chemical Supply Chain Exchange Event



In the new energy sector, Milkyway successfully completed the delivery of Japan's first energy storage cabinet over 40 tons, shipped by a container vessel, without dismantling battery clusters. It also undertook complete wind turbine transportation and Xinjiang's oversized equipment cross-border transportation project, contributing to the global energy transition.

Milkyway Completed Segment C Delivery of Japan's First Energy Storage Cabinet Over 40 Tons Shipped Through a Container Vessel, Without Dismantling Battery Clusters



## Integrating Global Industrial Resources to Empower Supply Chain Collaboration and Upgrading

Milkyway consolidated high-quality global resources through investments, mergers and acquisitions, and strategic partnerships to enhance its core service capabilities.

It made a controlling investment in Shanghai Tuojiang Industrial Co., Ltd. and integrated its international chemical client resources and professional service teams, enhancing its one-stop supply chain service capabilities in the specialty engineering plastics sector.

Milkyway Completed the Controlling Investment in Shanghai Tuojiang Industrial Co., Ltd.



Milkyway became a core strategic supplier for the SABIC Fujian Petrochemical Complex Project, playing a key role in building the global integrated warehousing and distribution network.

Milkyway Signed the Memorandum of Strategic Supplier Cooperation with SABIC Fujian Petrochemical Complex Project



Through innovative LCL services featuring "multi-location consolidation and global delivery" and the 4PL supply chain management model, Milkyway optimized resource allocation efficiency and achieved global supply chain collaboration.

Milkyway Hosted a Live Streaming Event on LCL Services Themed "Multi-Location Consolidation and Global Delivery"



## Strengthening Compliance Management to Align with Global Regulatory Requirements

Upholding compliant operations as its core principle, Milkyway has obtained AEO Advanced Certification, strictly followed the laws and regulations applicable to chemical logistics and cross-border trade across different countries and regions, and incorporated compliance requirements into overseas operations. From import/export customs declaration to hazardous material transportation and warehousing management, it established an end-to-end compliance control system to ensure lawful, compliant, and risk-manageable cross-border operations.



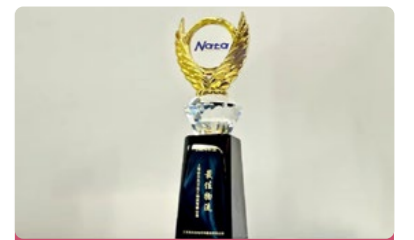
## Strategic Value: Synergistic Effects and Future Prospects of Global Expansion

Milkyway's global expansion not only elevates its service capabilities to an international level but also promotes efficient collaboration across the global chemical industry chain. By optimizing cross-border supply chain channels and improving logistics efficiency, Milkyway provided reliable and consistent services to key domestic and international clients such as DuPont, Wanhua Chemical Group Co., Ltd., and Jiangsu Nata Opto, and received multiple partnership awards, achieving mutual benefits for the enterprise, clients, and the industrial chain. It also contributes to the international expansion of China's high-end manufacturing sector by offering supply chain solutions for exports in industries like biopharmaceuticals and semiconductors, empowering industrial upgrading.



Milkyway Received the 2024 DuPont Valued Partnership Award

In the future, Milkyway will continue to advance its globalization strategy, further optimize its global network, deepen penetration in core markets such as Europe, South America, and Central Asia, and develop more overseas logistics hubs. It will persistently strengthen its core capabilities, including shipping, cross-border warehousing and distribution, and customized solutions, while driving deeper integration of digital and intelligent technologies with overseas operations. Guided by the principles of sustainable development, Milkyway remains committed to upholding compliance baselines, enhancing risk control, fulfilling social responsibilities, and building an increasingly resilient, efficient, and sustainable global chemical and new energy supply chain service system to support the green, compliant, and high-quality development of the global chemical industry.



Milkyway Received the 2024 Best Logistics Award from Jiangsu Nata Opto



# Environmental Dimension

## Empowering Green Development to Co-Build an Ecological Conservation Barrier

Milkyway steadfastly implements the green development concept, actively responds to China's carbon peaking and carbon neutrality goals, and incorporates climate change response into its top-level strategic design. By establishing a full-chain carbon management system and deepening the application of clean energy and circular economy practices, the Company comprehensively promotes low-carbon transition across logistics scenarios. Upholding compliance as a core principle, Milkyway strictly observes ecological conservation red lines, optimizes resource utilization through lean management, and strengthens pollution prevention and control with technological means. It is dedicated to building a resilient and green ecological security barrier, achieving harmonious coexistence between corporate operations and the natural environment.





## Climate Response: Fulfilling Low-Carbon Commitments

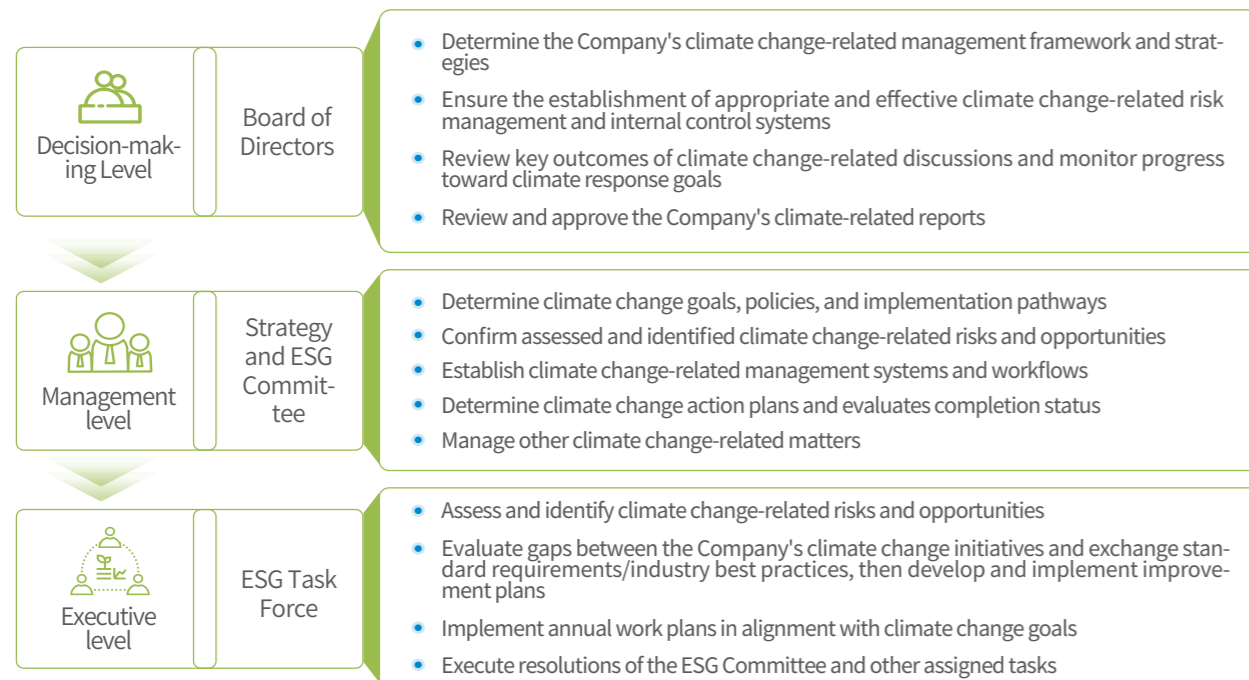
Milkyway has always regarded addressing the climate crisis as a core part of fulfilling social responsibility and a strategic opportunity for achieving high-quality development. Deeply aligned with the China's carbon peaking and carbon neutrality goals and the UN Sustainable Development Agenda, the Company takes green and low-carbon development as its underlying principle, coordinates industrial upgrading and ecological protection, and continuously advances energy conservation, emission reduction and climate actions across the entire value chain. With concrete efforts, it contributes to global ecological governance and the sustainable transformation of the industry.

### Governance

As a pioneer in climate action and green development, the Company actively responds to China's goal of achieving carbon peak by 2030 and carbon neutrality by 2060. It has formulated a Climate Policy, integrating climate change mitigation measures throughout the entire lifecycle of material procurement, project construction, and business operations. The Company proactively explores the economic opportunities and challenges posed by climate change, adapting to and mitigating its impact on business operations while enhancing climate resilience.

The Company has established a robust climate governance framework, featuring a three-tier system with the Board of Directors as the decision-making core, the Strategy and ESG Committee as the specialized supervisory body, and the ESG Task Force as the implementation entity. The Board of Directors, as the supreme decision-making body, oversees climate-related strategic planning and incorporates climate risks and opportunities into ESG management. The Strategy and ESG Committee, directly led by the Board, is specifically tasked with supervising and managing climate-related impacts, risks, and opportunities. The ESG Task Force coordinates cross-departmental efforts to advance climate initiatives as the executive body.

### Milkyway Climate Governance Structure and Responsibilities



### Strategy

To comprehensively identify the potential impacts of climate change on the Company's production operations, strategic development, and financial status, while accurately uncovering development opportunities under the low-carbon transition, the Company conducted systematic review and in-depth analysis of climate-related factors based on industry characteristics, business layout, and climate trends.

The table below outlines potential challenges posed by climate change across two dimensions: physical risks and transition risks; it also presents opportunities in areas such as the use of renewable energy and circular economy development, clarifies the relevant business sectors and preliminary response directions for each impact and opportunity, incorporating risk mitigation plans into decision-making agendas. For each identified climate-related risk and opportunity, we define the reasonably expected time horizon of significant impact, categorized as short-term (0-1 year), medium-term (1-5 years), and long-term (over 5 years).

|                  | Risk/Opportunity Type | Risk/Opportunity Description  | Likelihood of Occurrence <sup>1</sup> | Time Horizon of Impact <sup>2</sup> | Expected Financial Impact         | Response Measures  |
|------------------|-----------------------|---|---------------------------------------|-------------------------------------|-----------------------------------|--|
| Physical risks   | Acute risks           | Climate change may lead to more frequent extreme weather events such as low temperatures, heavy rain, floods, and typhoons, potentially damaging the Company's infrastructure, including buildings, equipment, and transportation systems.  | Medium                                | Short term                          | Cost increase                     | <ol style="list-style-type: none"> <li>Develop emergency response plans and measures</li> <li>Conduct regular emergency drills</li> <li>Implement reinforcement, protection, and other safeguarding measures for critical equipment and structures</li> </ol>  |
|                  | Chronic risks         | Global warming leads to rising sea levels, triggering natural disasters such as extreme heat and droughts, which may impact the Company's production and operations   | Low                                   | Medium to long term                 | Cost increase and revenue decline | <ol style="list-style-type: none"> <li>Participate in climate change response actions and protect the ecological environment</li> </ol>  |
| Transition risks | Policy risks          | With the implementation of the "carbon peaking and carbon neutrality" initiative and the introduction of energy-saving and emission-reduction policies, the Company may face increased expenses on environmental protection and energy conservation.  | High                                  | Short term                          | Cost increase                     | <ol style="list-style-type: none"> <li>Incorporate annual carbon reduction plans into the Annual Safety Supervision Plan to actively build a green circular economy.</li> <li>Encourage energy-saving and consumption-reduction initiatives, promote the use of new energy vehicles, and support rooftop photovoltaic construction.</li> </ol> |
|                  | Technological risks   | Most of the Company's operational vehicles are fuel-powered. Without systems or new technologies to replace traditional fuels, the Company may be affected by rising fossil fuel prices and regulatory requirements. However, as the Company adopts new energy equipment and invests in low-carbon technology R&D, operational costs will increase accordingly. | High                                  | Short, medium, and long term        | Cost increase                     | <ol style="list-style-type: none"> <li>Increase the utilization rate of green and clean energy equipment, promoting the share of renewable energy consumption</li> <li>Enhance investment in low-carbon technology R&amp;D to improve R&amp;D efficiency</li> </ol>  |
|                  | Market risk           | An increasing number of clients are demanding environmentally friendly logistics solutions. Failure to transition toward sustainability may result in customer attrition.   | Medium                                | Short, medium, and long-term        | Revenue decline                   | <ol style="list-style-type: none"> <li>Continuously improve intelligent operational systems to enhance operational quality and efficiency while reducing energy consumption</li> <li>Maintain timely communication and understanding of client needs</li> <li>Strengthen promotion of green transformation in products and services</li> </ol> |



|             | Risk/Opportunity Type    | Risk/Opportunity Description  | Likelihood of Occurrence <sup>1</sup> | Time Horizon of Impact <sup>2</sup> | Expected Financial Impact        | Response Measures  |
|-------------|--------------------------|---|---------------------------------------|-------------------------------------|----------------------------------|--|
| Opportunity | Use new energy           | Reducing carbon emissions in transportation is a key market focus. The Company actively adopts new energy solutions, which not only enhances its brand image but also helps to explore new business areas and increases market share. | High                                  | Short, medium, and long term        | Cost reduction, revenue increase | 1. Develop carbon reduction measures for road transport/warehousing/waterway transportation<br>2. Continuously improve the green energy substitution rate  |
|             | Develop circular economy | Guided by national circular economy policies, the Company can reduce operational costs by enhancing the recyclability and renewability of waste   | High                                  | Short, medium, and long term        | Cost reduction                   | 1. Actively promote the recycling of waste mineral oil and packaging drums<br>2. Incorporate climate change considerations into procurement processes, utilizing low-carbon or zero-carbon products and materials with energy efficiency |

1. Likelihood of occurrence refers to the frequency interval or probability of a risk/opportunity materializing, primarily assessed based on historical probability, external situations, policy implementation progress, and expert forecasts. Likelihood of occurrence ranges from "low" to "high".  
2. The time horizon of impact refers to the varying periods during which different climate-related risks and opportunities will affect the Company. The company categorizes the time horizon into short-term (0-1 year), medium-term (1-5 years), and long-term (over 5 years).

## Impact, Risk, and Opportunity Management

The Company has established a climate change risk matrix to identify types of risks and opportunities, focusing on the climate impact across the entire product lifecycle. By examining upstream and downstream business processes, we identify climate change risk factors in the Company's production and operational workflows, forming a comprehensive assessment framework to proactively enhance climate resilience.

The Company integrates climate change risks into its risk management system. Aligning with industry characteristics, business layout, and climate trends, we have developed the Carbon Disclosure Survey Standard to actively identify carbon emission sources. Based on the findings, a series of targeted measures are developed to effectively address carbon emission-related risks.



## Oversight Mechanisms and Processes

The Company regularly conducts climate change-related opportunity and risk analyses, integrating climate change risks into its risk management system and business operation management processes to mitigate the impacts of climate change.

| Risk identification   | Risk assessment   | Risk response  |
|---|---|--|
| Based on industry developments, policy changes, and regulatory requirements, the Company periodically updates climate risk analysis scenarios and conducts research to effectively identify risks and opportunities related to climate change | Based on risk identification, the Company evaluates the likelihood, impact duration, and potential major financial implications of climate change risks and opportunities | Based on risk assessment outcomes, mitigation measures are implemented to prevent or minimize climate change-induced damages while capitalizing on potential opportunities |

## Metrics & Targets

The Company fully aligns with China's "carbon peaking and carbon neutrality goals" strategy, formulates and implements Sustainable Development Policy. This policy establishes quantitative GHG emission reduction targets and creates a routine progress analysis and review mechanism, ensuring that emission reduction efforts are measurable, traceable, and sustainable. Clear long-term emission reduction pathways have been set: achieving carbon peak by 2030 and carbon neutrality by 2050.

| Target Name                           | Unit | 2025Target | 2030Target | 2050Target |
|---------------------------------------|------|------------|------------|------------|
| Scope 1 GHG emission reduction rate   | %    | 12         | 40         | 60         |
| Scope 2 GHG emission reduction rate   | %    | 10         | 20         | 45         |
| Scope 1 and Scope 2 net GHG emissions | %    | —          | —          | 0          |



In operational management, the Company consistently integrates energy conservation and emission reduction into full-process control, covering major emission sources such as combustion, processing, purchased electricity, heating, and steam, systematically advancing GHG reduction. The control scope covers six types of GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). Through practical actions, the Company continuously reduces carbon emission intensity across the entire process, promoting the coordinated progress of the green and low-carbon transition and high-quality corporate development.



## Carbon Emission Management

The Company actively establishes a full-process carbon emission management system. Through a four-phase methodology, it clarifies its carbon value, comprehensively inventories direct and indirect CO<sub>2</sub> emissions generated during production and operations, accurately monitors carbon emission status, and scientifically formulates carbon reduction targets and implementation pathways based on this, providing a solid foundation for carbon reduction plans.

Meanwhile, the Company launched Carbon Management System 1.0, enabling automated data capture, carbon emission calculation, intelligent analysis, and AI-powered carbon reduction recommendations during business operations. This supports the scientific and rational implementation of carbon reduction measures, helping to foster a green corporate culture.

### Four-Phase Methodology

#### Phase I Identify the Company's carbon emissions

Conduct a comprehensive inventory of direct and indirect emissions. Based on operational conditions, determine direct emission data, including stationary combustion, fugitive emissions, and mobile source emissions. Confirm indirect emission data mainly from purchased electricity, heat, and gas that support operations, thereby gaining a full understanding of the Company's emission profiles.



#### Phase II Sort out upstream and downstream value chain emissions

Periodically and continuously assess emissions across the value chain. Based on actual conditions, establish initial value chain emissions focusing on indirect carbon emissions from waste paper processing and wastewater discharge treatment, with ongoing efforts in identification and statistics of emission sources throughout the industrial chain.



#### Phase III Continuously improve and achieve comprehensive inventory

Scientifically, openly, and comprehensively clarify emission profiles and their changes. Continuously enrich periodic activity data to achieve an understanding and investigation of complex scenarios, including emissions from outsourced logistics services and disposal processes. This enables full confirmation of GHG emissions and emission reduction capabilities.



#### Phase IV Achieve assetization and marketization of emission management capabilities

Based on the full inventory covering the whole process, all scenarios, entire value chain and full service solutions, clarify the carbon asset value and development potential of the Company, achieving a comprehensive transformation of environmental efforts from cost-based to asset-based.



## Compliance as Foundation: Strictly Upholding Ecological Conservation Red Lines

Milkyway consistently upholds compliant operations and green development, treating environmental protection as the bottom line and lifeline of corporate growth. We strictly comply with national and local ecological and environmental laws and regulations, continuously improve our environmental management system, strengthen full-process environmental risk prevention and control, and safeguard ecological security through high-standard environmental governance, achieving harmonious progress between corporate development and environmental protection.

### Governance

The Company strictly adheres to national and local environmental protection laws, regulations, policies, and standards such as the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*. We have established and continuously optimized our environmental management system, forming a dedicated environmental management team to coordinate the implementation of environmental policies, pollution control, energy conservation, emission reduction, and emergency management. The Company's Environmental Protection Division, as the primary responsible department, oversees the implementation of environmental protection policies and formulates measures for energy conservation, emission reduction, and environmental protection in accordance with environmental policy requirements.

By the end of 2025, multiple subsidiaries of the Company have obtained ISO 14001 Environmental Management System certification.



Huizhou Milkyway Huayitong Transportation Co., Ltd.  
ISO 14001 Environmental Management System Certification



Nanjing Milkyway Chemical Supply Chain Service Co., Ltd.  
ISO 14001 Environmental Management System Certification



Shanghai Milkyway Chemical Storage Co., Ltd.  
ISO 14001 Environmental Management System Certification



Shanghai Milkyway Chemical Logistics Co., Ltd.  
ISO 14001 Environmental Management System Certification



Shanghai Chemical Automobile Transport Co., Ltd.  
ISO 14001 Environmental Management System Certification



Zhangjiagang Free Trade Zone Bus Logistics Co., Ltd.  
ISO 14001 Environmental Management System Certification



Zhenjiang Baohua Logistics Co., Ltd.  
ISO 14001 Environmental Management System Certification

Note: Due to the large number of certificates, only a selection of subsidiary certifications are listed above.



## Strategy

Guided by its strategy, the Company systematically identifies and assesses environmental impact factors throughout the production and operation processes, dynamically tracks environmental risk trends, and continuously optimizes improvement measures to consistently enhance pollution control capabilities and resource utilization efficiency. By integrating environmental management into corporate strategy and daily operations, the Company promotes green and low-carbon principles across the entire chain, encompassing procurement, warehousing, transportation, and engineering construction, to achieve compliant operations, controllable risks, and green, sustainable development goals.

|                    | Risk/Opportunity Type       | Risk/Opportunity Description  | Likelihood of Occurrence | Time Horizon of Impact     | Expected Financial Impact        | Response Measures   |
|--------------------|-----------------------------|---|--------------------------|----------------------------|----------------------------------|---|
| <b>Risks</b>       | Chemical leakage risk       | The company engages in freight forwarding, warehousing, and transportation of chemical products, some of which are flammable, explosive, or toxic hazardous chemicals. In the event of a leakage, it could not only cause severe pollution to surrounding soil and water bodies but also trigger secondary disasters such as fires or explosions, posing significant threats to the ecological environment and residents' safety. | Low                      | Short term                 | Cost increase                    | <ol style="list-style-type: none"> <li>1. Establish stringent management systems and operational safety precautions</li> <li>2. Improve emergency management mechanisms and conduct regular emergency drills</li> </ol> |
| <b>Opportunity</b> | Technological opportunities | Market demand for green supply chain solutions is gradually increasing. By enhancing investment in green technology R&D and application, the Company can continuously elevate its green image and promote sustainable development across the entire industrial chain.   | High                     | Short medium and long term | Cost reduction, revenue increase | <ol style="list-style-type: none"> <li>1. Adopt new energy vehicles</li> <li>2. Develop waste recycling and regeneration technologies</li> </ol>  |

## Impact, Risk, and Opportunity Management

In strict accordance with the requirements of the Safety Supervision System, the Company has established a full-cycle environmental risk management mechanism covering prevention, in-process control, and post-incident handling. Through routine monitoring, standardized operations, and systematic audits, the Company achieves comprehensive control over environmental risks.

### Prevention

#### Risk identification

Focus on identifying key environmental risks, such as material leakage during operations and transportation, excessive emissions of environmental pollutants during operations, and improper waste management and disposal.

#### Environmental hazard identification

Regularly carry out special investigations and rectification of environmental hazards, focusing on critical aspects such as the operational status of environmental protection facilities, hazardous chemical storage management, and compliance at work sites. Immediately register and file identified hazards, initiate responses, and clearly define rectification measures, responsible parties, and deadlines to ensure dynamic hazard elimination. Through continuous investigations and closed-loop management, steadily enhance environmental risk prevention and control capabilities, providing a solid foundation for environmentally compliant operations and sustainable development.

#### Risk assessment

Conduct inspections on discharge of waste gas, waste water and solid waste and environmental protection facilities, track the rectification and implementation of non-compliant items, and conduct reviews and evaluations. In accordance with the ISO 14001 Environmental Management System requirements, the Company proactively accepts annual audits and supervision by third-party institutions. For new, renovated, and expanded projects, the Company strictly implements the environmental impact assessment and approval procedures, actively accepts reviews, evaluations, and inspections by competent authorities and industry experts to ensure legal compliance and green, low-carbon project construction.



### In-process control

#### Environmental protection training

Provide on-the-job environmental protection and approved emergency drills. Employees who fail the assessment will be suspended for remedial training until they pass, followed by inspection and monitoring.

#### Risk prevention and control

Strictly implement qualification management, legally obtain statutory permits such as hazardous waste operation licenses, pollutant discharge permits, and environmental administrative approvals for hazardous material warehouses. Enhance risk protection by purchasing hazardous chemical safety liability insurance and environmental pollution liability insurance and other types of insurance.

#### Emergency response to environmental incidents

Develop internal standards such as the "Three Wastes and One Noise" Treatment Standard for Environmental Pollutants and the Hazardous Waste Storage Standard. Establish an overall emergency response plan and specialized contingency plans for environmental incidents to strengthen risk defenses at the institutional, standard, and planning levels.



**Emergency plans and drills**

To efficiently handle sudden environmental incidents, minimize accident hazards, and prevent secondary risks, the Company and its key subsidiaries regularly organize all employees to participate in environmental emergency drills in strict accordance with the Special Emergency Plan for Sudden Hazardous Chemical Leakage Accidents. Through practical drills, ensure employees master emergency response procedures, disposal key points, and protective skills, continuously enhancing team coordination, safeguarding ecological environment safety and public health.

**Post-incident- handling**

**Emergency accident response**

On the day of a public relations accident, register it in the MCP system and report to the Board Secretary; hold relevant personnel accountable and impose penalties. Credit restoration: For incidents affecting the company's goodwill, credit restoration must be conducted, with quarterly reviews and such incidents will be included as a priority oversight item under the purview of the VP of Safety in the Primary Safety Committee. Supervision and internal audit: Within six months of case closure, the involved department must report the completion status of subsequent rectification measures to the Supervision Department and undergo its supervisory internal audit and assessment.

**Metrics & Targets**

The Company continuously optimizes production and operational processes, actively introduces advanced environmental protection technologies and governance facilities. We implement full-process monitoring and precise control of pollutants such as wastewater, exhaust gases, noise, and solid waste to ensure stable compliance with all emission standards and firmly uphold ecological and ecological conservation red lines.

By 2025, the Company had no negative environmental incidents.

**Lean Resources Management: Promoting Recycling**

Milkyway adheres to the concept of green development, empowering efficient utilization of energy, water, and materials through refined management. It earnestly practices the circular economy mode, promotes the recycling and reuse of various resources, continuously reduces environmental impact, balances cost control with sustainable development to contribute to the realization of the carbon peaking and carbon neutrality goals, demonstrating the responsibility and commitment of a leading enterprise in the chemical and new energy supply chain.

**Governance**

The Company strictly complies with national laws and regulations such as the *Law of the People's Republic of China on Energy Conservation*, the *Water Law of the People's Republic of China*, and the *Circular Economy Promotion Law of the People's Republic of China*, as well as local regulations. It focuses on the utilization of core resources such as energy, water, and materials, implements

full-process refined management, and continuously improves resource efficiency. Additionally, the Company has established specialized standards such as the *Energy Management Work System* and the *Low-Consumption Consumables Management System*, building a standardized and regulated resource management system to ensure systematic and evidence-based resource control.

**Governance Structure**

The Company has established a clear hierarchical energy management structure with well-defined responsibilities. The Strategy and ESG Committee is responsible for major energy management decisions, while the General Manager of the Global Compliance Empowerment Center serves as the energy management lead, building a company-wide energy management network. The Administrative Compliance Empowerment Department and Safety Compliance Empowerment Department, as functional units, collaborate with business departments to promote daily resource management tasks. They coordinate system implementation, measure execution, and cross-departmental collaboration to ensure orderly and efficient resource management work.

**Oversight Mechanism**

The Company has established a robust energy conservation and emission reduction oversight mechanism led by the Safety Technology Department. This department is responsible for monitoring the implementation of energy-saving measures, conducting statistical analysis and review of energy consumption data, accurately evaluating energy-saving outcomes, and promoting the continuous optimization of energy-saving initiatives. Additionally, energy conservation training is prioritized as a key task. The Company organizes mandatory online specialized training for all employees with strict assessments, consistently strengthening staff awareness of energy/water conservation and resource recycling to solidify the ideological foundation for green development.

**Strategy**

As a leading enterprise in the chemical and new energy supply chain sector, the Company involves various energy consumption in warehousing, transportation, and daily management, among which energy consumption such as electricity and fuel oil is relatively prominent. The Company places high importance on energy consumption and resource utilization, and has established a professional team to routinely identify energy-related risks and opportunities. By aligning with industry trends and its operational characteristics, the Company formulates targeted management strategies to ensure that risks are controllable and opportunities are materialized.

|             | Risk/Opportunity Type       | Risk/Opportunity Description   | Likelihood of Occurrence | Time Horizon of Impact       | Expected Financial Impact   | Response Measures  |
|-------------|-----------------------------|--|--------------------------|------------------------------|---|--|
| Risks       | Physical risks              | Extreme weather events may lead to power supply shortages. Regional blackouts at chemical warehousing bases could result in temperature control failures, while typhoons may cause logistics disruptions.  | Medium                   | Short term                   | Surge in energy consumption at warehousing facilities, increased temperature control costs; Transportation delays lead to liquidated damages for breach of contract | <ol style="list-style-type: none"> <li>1. Enhance disaster resilience of warehousing facilities by constructing flood control systems and preparing backup power supplies</li> <li>2. Sign emergency supply agreements with energy providers</li> <li>3. Optimize logistics routing algorithms to reduce transportation risks during extreme weather</li> </ol>                      |
| Opportunity | Technological opportunities | <ol style="list-style-type: none"> <li>1. Scale the application of rooftop photovoltaics on warehouses to enhance corporate energy independence</li> <li>2. Replace fuel vehicle fleets with new energy logistics vehicles reduces fuel costs; green transportation promotes the growth of business volume.</li> </ol> | High                     | Short, medium, and long term | Cost reduction, revenue increase  | <ol style="list-style-type: none"> <li>1. Continue advancing the implementation of warehouse rooftop photovoltaic projects to expand the scale of self-generated green electricity</li> <li>2. Intensify promotion of new energy logistics vehicles, gradually replacing fuel vehicle fleets, improving the green transportation system, and empowering the green upgrade</li> </ol> |



## Impact, Risk, and Opportunity Management

The Company continuously improves its energy risk management process. Starting with risk identification, assessment, and monitoring, it implements targeted management strategies to mitigate energy utilization risks. This creates multidimensional value for the enterprise, including cost control and operational stability.

### Risk identification

Through comprehensive analysis of external policies, natural environments, market trends, and internal operational conditions, the Company identifies potential risks that may impact energy supply stability, cost-effectiveness, and environmental compliance.

01

### Risk assessment

Evaluate identified risks by comprehensively considering the likelihood of occurrence, time horizon of impact, and expected financial impact.

02

### Risk monitoring

Monitor energy usage and conduct data analysis to promptly detect abnormal energy consumption patterns and implement follow-up measures.

03

### Risk management

Based on the results of risk identification and assessment, the Company has formulated and implemented a series of targeted energy management measures. These include optimizing energy usage structures, promoting clean energy applications, and enhancing green transportation management to raise employee awareness of energy conservation and ensure continuous optimization and improvement in energy management.

04



## Energy Utilization

The energy required for the Company's operations primarily includes gasoline, diesel, purchased electricity, and purchased heat, among which purchased electricity being the main source of energy consumption. To improve energy utilization efficiency, the Company regularly conducts technical and economic analyses of major energy-consuming equipment, utility systems, and overall corporate energy usage. By combining test data with energy consumption statistics, the Company accurately identifies energy-saving potential, clarifies optimization directions, and provides a scientific basis for energy management improvements and energy-saving technological upgrades, thereby continuously enhancing energy utilization efficiency.

## Water Resource Utilization

The Company's fresh water source is municipal water supply. We strictly adhere to national water resource management laws and regulations, and conduct water resource management in accordance with the *Energy Conservation and Consumption Reduction Control Procedures*, and continuously improve water-saving measures and management methods. Through process optimization such as improving water consumption techniques, equipping water recycling systems, and installing water-saving valves, the Company reduces water resource usage. The Safety and Technology Department conducts regular inspections of environmental protection and water-use equipment to identify and eliminate potential leaks, preventing unnecessary water loss. Furthermore, the Company actively carries out "water conservation" awareness campaigns and specialized training to enhance employees' water-saving awareness and drive efficient water resource utilization.

## Circular Economy

The Company places high importance on material recycling, focusing on the full lifecycle management of consumables. It strictly implements the *Low-Consumption Consumables Management System* by standardizing consumable usage, promoting eco-friendly materials, and facilitating the recycling and reuse of waste materials. These efforts reduce resource consumption, lower operational costs, and contribute to the development of a circular economy.

### Promotion and application of eco-friendly consumables



The Company prioritizes the use of environmentally friendly packaging and consumables, continuously improving the utilization rate of sustainable materials to minimize the operational impact on the surrounding environment. First, for wooden consumables, plywood pallets are adopted, employing an odd-numbered-layer veneer vertical bonding process, significantly enhancing wood utilization and reducing resource waste. Second, for reinforcement consumables, stretch films produced from imported linear low-density polyethylene (LLDPE) resin and specialized tackifier additives are selected. This material is non-toxic, odorless, recyclable, and even suitable for direct food packaging, balancing environmental sustainability and practicality.

### Waste recycling



Shanghai Jiajinying Environmental Protection Service Co., Ltd., in which the company holds shares, adheres to the philosophy of "enabling infinite resource circulation and creating a cleaner world". Specializing in the intensive treatment and resource reuse of hazardous waste, it has mastered key technologies such as the waste mineral oil recycling, packaging drum recycling, cleaning and regeneration, and the harmless treatment of waste emulsions, achieving resource recovery, reduction, and harmless disposal of hazardous waste. Furthermore, the Company's administrative office building project exemplifies resource circularity by fully repurposing dismantled materials and furniture from the Monaco Pavilion of the World Expo into its construction and interior design. This initiative truly transforms waste into valuable resources, showcasing tangible results in circular development practices.




## Metrics & Targets

The Company actively responds to the "Carbon Peaking and Carbon Neutrality" initiative by setting short-, medium-, and long-term quantitative control targets for energy consumption and water resource utilization. It regularly tracks progress, dynamically optimizes and adjusts implementation, and ensures the orderly achievement of phased targets, continuously driving improvements in resource utilization efficiency and green, low-carbon transformation.


### Energy Management Targets

| Target Name                       | Unit | 2025Target | 2030Target | 2050Target |
|-----------------------------------|------|------------|------------|------------|
| Energy consumption reduction rate | %    | 12         | 18         | 23         |



### Water Resource Management Targets

| Target Name                                 | Unit | 2025Target | 2030Target | 2050Target |
|---|------|------------|------------|------------|
| Per capita water consumption reduction rate | %    | 3          | 5          | 6          |
| Total water consumption reduction rate      | %    | 2          | 2          | 3          |



## Pollution Control: Safeguarding Blue Sky and Clean Land

Milkyway strictly adheres to environmental regulations, establishing a comprehensive pollution prevention and control system. It standardizes the management of wastewater, exhaust gases, solid waste, and hazardous chemicals, proactively identifies environmental risks and opportunities, ensures continuous compliance with emission standards, and effectively safeguards ecological and environmental safety.

## Governance

The Company consistently upholds the bottom line of ecological and environmental protection, strictly complying with laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Law on Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China*. Through a comprehensive and standardized pollution prevention and control system, it systematically manages wastewater, exhaust gases, and solid waste emissions, effectively protecting regional ecological and environmental safety.

According to the *Shanghai 2024 Directory of Key Units Subject to Environment Supervision* issued by the Shanghai Municipal Bureau of Ecology and Environment, the subsidiary Shanghai Milkyway Tank Container Service Co., Ltd. was listed as a "Key Water Pollutant Discharge Unit" and a "Key Air Pollutant Discharge Unit".

## Strategy

Through policy research, industry benchmarking, and expert consultations, the Company identifies risks and opportunities closely related to its operations, and takes corresponding measures to reduce the potential impact of relevant risks on the Company, while seizing opportunities to promote sustainable business development.



|                    | Risk/Opportunity Type       | Risk/Opportunity Description  | Likelihood of Occurrence | Time Horizon of Impact | Expected Financial Impact        | Response Measures  |
|--------------------|-----------------------------|---|--------------------------|------------------------|----------------------------------|--|
| <b>Risks</b>       | Technological risks         | Extreme weather events may lead to power supply shortages. Regional blackouts at chemical warehousing bases could result in temperature control failures, while typhoons may cause logistics disruptions.   | Medium                   | Medium to long term    | Cost increase                    | 1. Technology assessment and planning: Regularly evaluate the alignment between existing treatment processes and the latest emission standards as well as corporate development plans, and formulate forward-looking facility upgrade roadmaps.<br>2. Budget allocation: Reserve dedicated funds for environmental facility upgrades in capital expenditure plans. |
| <b>Opportunity</b> | Technological opportunities | As a key pollutant discharge unit, maintaining a strong track record of environmental compliance and proactive investment in pollution prevention and control can help the Company secure more favorable terms when applying for green credit, sustainability-linked loans, and other financial products. | High                     | Short to medium term   | Cost reduction, revenue increase | 1. Systematic disclosure: Follow exchange guidelines to systematically disclose environmental management performance, forming a complete evidence chain for evaluation by financial institutions.<br>2. Proactive engagement: Actively communicate with financial institutions, presenting environmental performance as a positive factor in credit ratings.       |



## Impact, Risk, and Opportunity Management

### Pollutant Emissions

The Company has established and strictly implemented management systems such as the Water Pollution Control Procedures, Hazardous Gas and Dust Pollution Control Procedures, and Noise Pollution Control Procedures. Subsidiaries, in their daily operations, treat wastewater and exhaust gas to meet compliance standards in accordance with legal requirements and conduct regular equipment maintenance. The Company annually engages qualified third-party institutions to test wastewater and exhaust gas emissions, ensuring continuous compliance with national standards.

#### Wastewater treatment

There are two rainwater discharge outlets in the plant area. The main rainwater outlet is fitted with a pollution interception device, implementing separate drainage systems for rainwater and sewage. Rainwater and sewage collection pipelines are independently configured to strictly prevent contaminated rainwater from entering surrounding water bodies. The main outlet features online pH and flow rate monitoring. There is one industrial wastewater discharge outlet, which operates as an indirect discharge point. The wastewater treatment station employs a "chemical demulsification/air flotation + advanced oxidation + biochemical" process to treat wastewater from various production units. After meeting discharge standards, the treated water is discharged into Gangbin Wastewater Treatment Plant.

#### Waste gas treatment

There are two general waste gas emission outlets and one main emission outlet within the plant area. One main emission outlet of the spray booth and one general emission outlet of the sand-blasting room have been decommissioned, both of which have been properly reported. Currently, only one general waste gas emission outlet is in use, utilizing a scrubbing tower + filtration + UV photocatalytic process. Treated gas meeting emission standards is released through a 15-meter-high exhaust stack.



### Waste Management

In compliance with regulations such as the Waste Management Operating Specification and Hazardous Waste Management Specification, the Company implements classified collection and compliant disposal of waste generated during operations. Hazardous waste is recycled and processed by qualified third-party professional institutions, with dedicated hazardous waste storage warehouses established for standardized storage and timely transportation. The Company regularly conducts emergency drills for hazardous waste leakage to enhance employees' emergency response capabilities and effectively mitigate environmental risks.

The Company has established the Hazardous Chemicals Control Procedures to ensure proper management of hazardous chemicals, preventing environmental pollution, safeguarding personal and property safety, and averting accidents. The Company stores hazardous chemicals in designated locations, ensuring they are not mixed with other waste and are specially handled. During the reporting period, no hazardous chemical leakage incidents occurred.

### Hazardous Chemical Handling Measures

#### Loading and unloading management

- Strictly comply with national hazardous chemical regulations, ensuring stable and safe operations to prevent spills or leaks.
- Safety warning signs shall be posted in hazardous chemical loading/unloading areas to remind employees of safety precautions. All personnel responsible for hazardous chemical handling must wear required PPE during operations.

#### Signage installation

- All chemical products bear clear safety/warning labels, precautions, and emergency response measures.
- Chemical storage areas are properly marked, with MSDS placed.
- Chemical zones are equipped with spill containment facilities to prevent environmental contamination from leakage.

#### Emergency response

- Spill containment kits are provided. In the event of hazardous chemical leakage, immediately place the entire container into the spill containment kit and take emergency measures for chemicals spilled on the ground. Use fire sand to prevent the spread of hazardous chemicals.
- Provide rigorous chemical safety training to transportation and management personnel to ensure employees master knowledge related to chemical emergency treatment.
- Conduct regular emergency drills to enhance employees' capability in handling emergencies.

### Noise Management

Milkyway strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, implementing various noise reduction measures to rigorously control industrial noise during production processes. Regular monitoring is conducted, and proactive noise reduction and improvement measures are made to minimize interference with the natural environment and society.

The Company complies with the GB12348-2008 Emission Standard for Industrial Enterprises Noise at Boundary. The Operations Department employs noise reduction, sound insulation, and vibration damping measures based on actual conditions to mitigate noise pollution and reduce external noise emissions. Work sites are organized efficiently to minimize nighttime operations and lower on-site noise levels. Regular inspection, maintenance, and lubrication of high-noise equipment are carried out to ensure optimal performance, effectively controlling noise generation. The Company engages third-party testing institutions to conduct periodic noise assessments, ensuring compliance with emission standards.

By the end of 2025, Milkyway had installed 12 noise monitoring devices and engaged professional institutions for testing and verification, ensuring that noise emissions during production and operations meet the standard both day and night.



## Metrics and Targets

2025



all pollutant emissions from the Company meet national and local standards.

## Green Operations: Supporting Carbon Peaking and Carbon Neutrality Goals

The Company adheres to the philosophy of green and low-carbon development, advancing sustainable operational practices across green logistics, green supply chains, green warehousing and green offices. It deeply integrates low-carbon principles into the entire business process, taking concrete actions to support the realization of the carbon peaking and carbon neutrality goals and the sustainable development of the industry ecosystem.

### Green Logistics

The Company actively promotes the construction of a low-carbon transportation system, continuously expands the application of new and clean energy across all supply chain segments, and optimizes multimodal transport to reduce carbon emissions throughout the chain, supporting the carbon peaking initiative of the entire chemical industry.

Adopt new energy logistics vehicles



The Company has introduced LNG-powered new energy logistics vehicles, continuously reducing the proportion of traditional fuel vehicles in transportation services. As an automotive fuel, LNG reduces comprehensive emissions by approximately 85% compared to gasoline and diesel, significantly cutting pollutants and GHG emissions in the transportation process. Additionally, the Company is systematically replacing internal combustion forklifts with electric forklifts across its national warehouse facilities. This transition effectively reduces air and noise pollution, conserves energy, lowers maintenance costs, and decreases reliance on traditional fossil fuels.

To address the prominent issue of mobile source emissions in the logistics industry, the Company collaborates with clients to optimize transportation plans and structures, vigorously developing multimodal transport centered around railways and waterways. It accelerates the shift of medium- and long-haul freight transport from road to railway and waterway. Through the scientific layout of transit nodes, optimization of transport routes and loading/unloading operations, the Company promotes the efficient connection and coordinated division of various transport modes, continuously increasing loading rates and resource utilization efficiency, reduces GHG emissions in storage and transportation, and expands the coverage of green logistics services.



Optimize transportation modes

## Green Supply Chain



The Company has established the MCP intelligent supply chain platform, comprehensively covering the entire chemical and new energy supply chain process. This enables integrated intelligent management of logistics dispatch, resource allocation, and business workflows. Leveraging digital transformation, the Company effectively reduces resource waste and improves utilization efficiency. By selecting optimal operational solutions, it maximizes service value. Through technology-driven green and low-carbon transformation, the Company helps enterprises achieve ESG goals while continuously enhancing operational efficiency and core competitiveness.

## Green Warehousing



The Company actively explores the application of clean energy and resource recycling in the warehousing sector, providing comprehensive low-carbon solutions encompassing planning and operations for warehouses and industrial parks. By installing photovoltaic power generation equipment on the rooftops of designated warehouse buildings, the Company maximizes the use of natural resources to obtain green electricity to support the operation of electrical equipment in the parks. This not only reduces indirect carbon emissions by replacing externally purchased electricity for its own energy needs but also enables more energy to be fed into the grid, providing a source of green power for the city and a wider range of stakeholders.

To date, the Company has completed photovoltaic installations at 7 warehouses (Zhenjiang, Dazhengxin, Shanghai Tongfa Road, Ningbo Shenze, Shanghai Jiading, Shanghai Fengxian, Shanghai Jinshan), with an installed capacity of 4,488.5KW.

## Green Office



The Company actively implements the concept of green development, vigorously promoting digital and paperless office practices. We have launched company-wide energy-saving initiatives, established a low-carbon office system, and fostered a culture of energy conservation and environmental protection. During daily operations, we implement energy-saving management for office equipment, optimize the use of air conditioning and lighting systems, and streamline vehicle routes. We implement green procurement by purchasing energy-efficient office equipment such as LED lights.



# Innovation Dimension

## Boosting Quality Through Innovation to Refine the Core of Premium Service

Milkyway remains committed to innovation as its core driver, comprehensively advancing digital and intelligent transformation. Leveraging AI and big data technologies, we are reshaping the essence of supply chain services. We established a collaborative innovation ecosystem, strengthened intellectual property and information security defenses, and empowered business upgrades with technological capabilities. Adhering to our "customer-centric" principle, we continuously enhance service quality and experience. Through industry collaboration, we lead the elevation of standards, striving for excellence in market competition and jointly writing a new chapter of high-quality industry development.





## Digital Driving Force: Empowering Business Upgrading

Milkyway upholds technological innovation as its core driver. It has established a comprehensive management system encompassing innovation management, R&D investment, digital transformation, and intellectual property protection. Focusing on the intelligent and low-carbon development of hazardous chemical supply chains, Milkyway leverages digital intelligence technologies to enhance operational efficiency, safety upgrades, and green transformation. This approach continuously strengthens its core competitiveness and industry leadership.

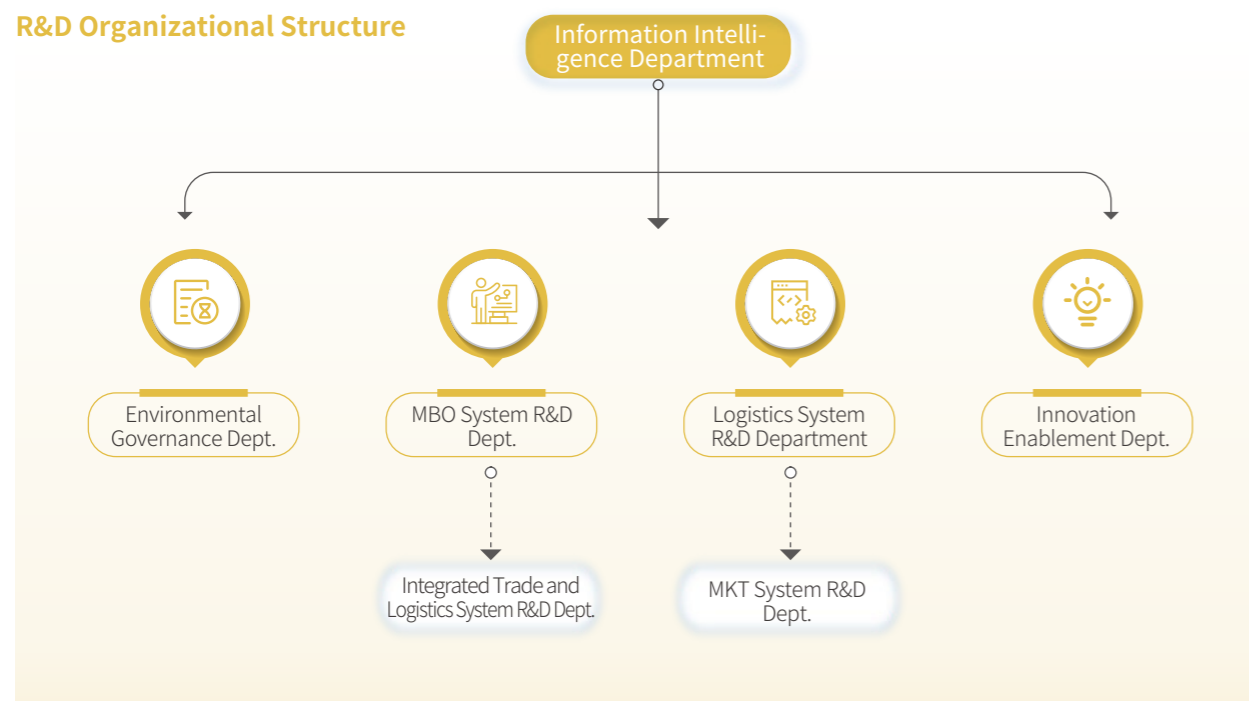
### R&D and Innovation Management

In response to the national strategy for scientific and technological innovation, the Company has established a comprehensive R&D and innovation management system based on its development vision of "full digitalization, full informatization, data as the engine, and the Internet of Everything". It has formulated the Scientific and Technological Innovation (Information and Intelligence) Management System, positioning technological innovation as the core engine for high-quality development.

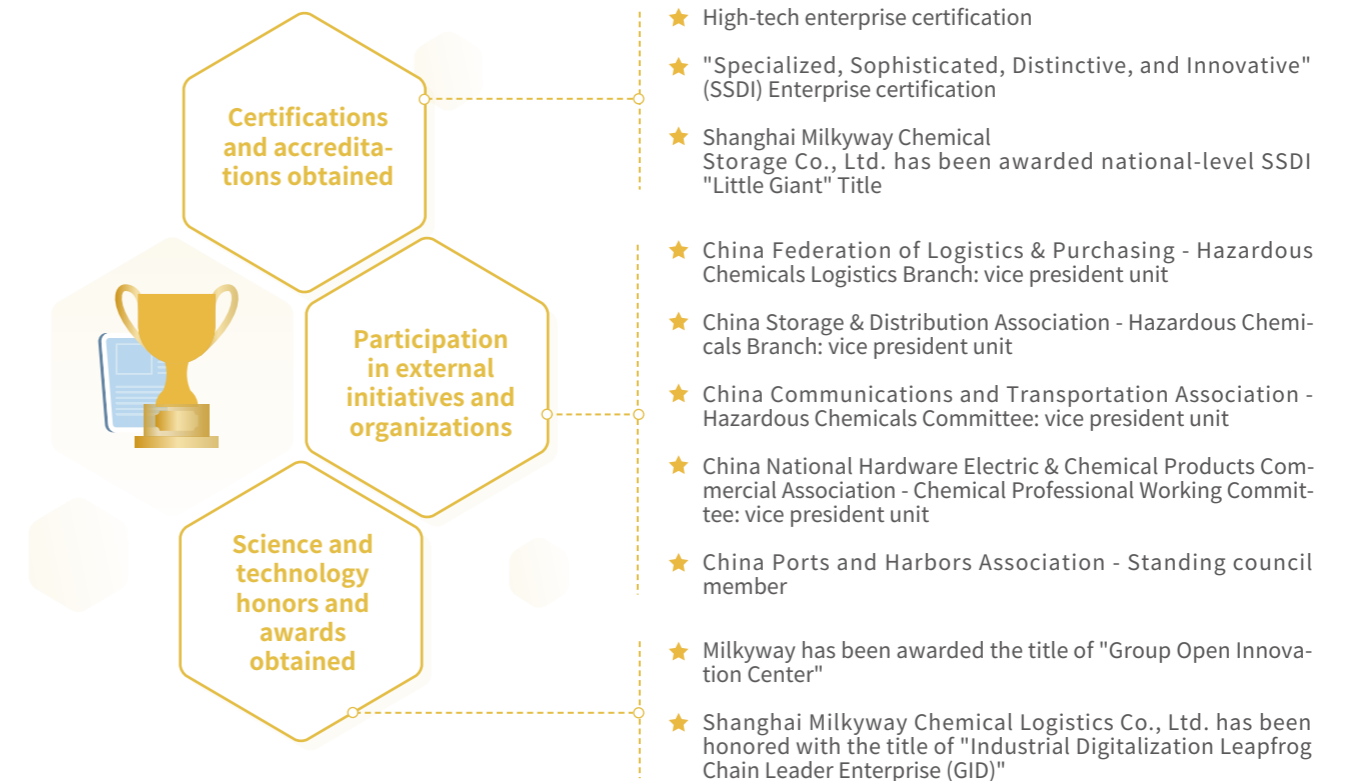
### Governance Structure

The Company has established a scientific and technological innovation organizational framework consisting of one compliance empowerment center (innovation empowerment & environmental governance) and four product centers. The Information and Intelligence Department oversees R&D and innovation management, driving the enhancement of R&D capabilities and the transformation and sharing of achievements.

### R&D Organizational Structure



By the end of 2025, three subsidiaries have obtained High-Tech Enterprise certification and "Specialized, Sophisticated, Distinctive, and Innovative" (SSDI) enterprise certification. Among them, the subsidiary Shanghai Milkyway Chemical



Milkyway Received the "Group Open Innovation Center (GOI)" Designation from Pudong New Area



Shanghai Milkyway Chemical Storage Co., Ltd. has Obtained High-Tech Enterprise Certification

Note: Due to the large number of certificates, only a selection of certification achievements are listed here.

### Innovation Incentive Mechanism

To stimulate innovation vitality and promote the commercialization of scientific and technological achievements, the Company has established systems such as the R&D Personnel Performance Evaluation System and the R&D Project Accounting Management Measures. These mechanisms aim to implement and incentivize the transformation of scientific achievements, reward teams and individuals who make outstanding contributions to R&D innovation, provide special cash incentives for intellectual property applications, and fully mobilize employees' enthusiasm for innovation, thereby driving the deep integration of technological innovation and business operations.



## | Industry-Academia-Research Collaboration |

The Company adheres to deep integration of industry, academia, research, and application, actively engaging in strategic collaborations with universities and research institutions. It has established long-term partnerships with East China Normal University, Shanghai Customs University, Nanjing University of Information Science & Technology, and other institutions to jointly build a technological innovation system and knowledge transformation platform, enhancing independent innovation and self-reliance in key technologies. By the end of 2025, the Company had obtained R&D Institution certification from the Pudong New Area and was selected as one of the first batch of overseas headquarters enterprises in the Pudong New Area, earning authoritative recognition for its innovation capabilities and global expansion strategy.



Shanghai Customs University Visit and Exchange



CEIBS Visit and Exchange

## Commercialization of Scientific Research Achievements

Deeply rooted in the chemical and new energy supply chain sector, with the core mission of "safer and more efficient", the Company focuses on addressing pain points and demands across the entire hazardous chemical logistics chain. It continuously increases R&D investment to drive the efficient commercialization of key technological achievements. This creates diversified value for high-quality economic development, industry safety and stability, and ecological sustainability, supporting the intelligent and green transformation of the hazardous chemical industry and manufacturing sector. In 2025, Digital intelligence application upgrades of AI-enabled innovative tools: Focusing on three major areas - core office systems, data management systems, and infrastructure construction.

- 1 The Company's document library has undergone a comprehensive architecture reorganization, deeply integrating intelligent search technology to achieve precise retrieval of both structured and unstructured data, enhancing data management and knowledge accumulation levels, and officially entering a new stage of intelligent and efficient data management.
- 2 The intelligent super secretary function has officially gone online and is now serving as an exclusive personal assistant for all employees. It covers all high-frequency scenarios of daily office work and realizes full-chain intelligent linkage for business processing, process approval, and work supervision and other scenarios.
- 3 The company's independently developed "Automatic Billing" system has achieved an improvement in operational efficiency. It deeply integrates the three major business segments of MGL, MCL, and MCD, and with its built-in cost standardization system, it has established a closed-loop system from intelligent quotation in CRM to automatic generation of order costs, realizing seamless connection throughout the entire process from contract signing to operation execution and bill generation.
- 4 The IDC data center renovation is complete. It has achieved the function of automatic real-time inspection of equipment operation status throughout the entire period. It can monitor real-time equipment operation parameters and promptly identify potential faults. Simultaneously, a digital twin data center has been established. Through a 1:1 three-dimensional virtual model, the physical state of the data center is mapped in real time, providing a solid infrastructure guarantee for the company's subsequent big data computing, intelligent business development, and digital transformation promotion.
- 5 The company has developed an integrated suite of four core management tools - Meeting, Supervision, Scheduling, and Documentation - empowered by AI technology to form a streamlined closed loop. Combined with machine learning algorithms, this suite delivers holistic lifecycle management solutions spanning from decision-making to execution.
- 6 The company's industry-leading 4PL System, a SaaS-based Fourth-Party Logistics platform, has established a digital collaboration network connecting core enterprises and logistics providers. Featuring a cloud-deployed modular architecture, the system centralizes management of order flows, transportation streams, and warehousing operations. It automates critical functions including vendor assessment, capacity allocation, and cost analytics, enabling clients to reduce logistics expenditures while enhancing modern supply chain collaboration models.

## | Key Projects |

| 2025 R&D Projects   | 2025 R&D Progress   |
|---|---|
| Development of Milkyway process risk control system   | Completed the development of a process risk control system covering the entire risk lifecycle management, achieving closed-loop management from risk identification, monitoring, and early warning to disposal and review.  |
| Development of production factor scheduling management platform (human resources, assets)       | Completed the construction of an integrated platform, involving system architecture design, development of human resource inventory management module, asset inventory management module, intelligent scheduling algorithm and engine for production factors, and system data integration interface development. Achieved refined and intelligent management and scheduling of production factors such as human resources and assets. |
| Development of intelligent budget management system for FMCG                                    | Completed the development of an Intelligent Budget Management System for the FMCG industry. With data-driven and artificial intelligence at its core, it established a full-cycle budget management closed-loop of "compilation-monitoring-adjustment-analysis," realizing automation and intelligence in budget management.  |
| Comprehensive management training system in the chemical sector                                 | Completed the functional development of the main processes for the PC version of the comprehensive management training system, enabling comprehensive, precise management and intelligent analysis of corporate training activities. The system will significantly enhance the Company's ability to manage training programs, ensuring efficient and stable operation of talent development.  |
| Smart booking management system   | Completed the development of the smart booking management system and its deployment across the Company's ocean shipping business line. It effectively promotes standardization, automation, and visualization of booking and related business processes, comprehensively improving operational efficiency and market competitiveness.   |
| Development of the automated billing system for FCL/LCL customers and logistics cost management | Completed the development and deployment of the automated billing system for ocean import/export. It achieves full-process automation and intelligent management, covering quotation binding, cost calculation, rule matching, and financial data synchronization. The system has now been put into operation and is subject to continuous iteration.   |
| Development of the automated billing system for air freight customers and warehouse management  | Completed the development and acceptance of the automated billing system for air freight customers and warehouse management. This system provides robust support for the digital transformation of air cargo services and has now been put into operation and is subject to continuous iteration.   |
| Development of the reservation management system for park warehouse operations                  | Completed the reservation management system for park warehouse operations. The system has undergone offline simulation testing and achieved seamless integration with existing park equipment and operations. Its core objective is to address inefficiencies, information asymmetry, and management chaos in traditional warehouse reservation mode through digital and intelligent solutions.                                       |
| Development of DC warehouse automated billing system  | All core modules have been developed, tested, and deployed, with the system operating stably in production environments. It has successfully processed automated billing for multiple batches of history and real-time orders. By intelligently analyzing and modeling quotation structures, the system enables digital definition and automated execution of billing rules.  |



## | Industry Empowerment |

The Company actively participates in industry standardization efforts, leading or contributing to the revision of multiple critical national standards, including GB15603 *General Rules for Storage of Hazardous Chemicals* and GB18265 *Operation Conditions and Technical Requirements for Enterprises Handling Dangerous Chemicals Business*. Leveraging its technical expertise, the Company drives high-quality development in the sector.

## | Digital Transformation

The Company has positioned digital transformation as a core development strategy, continuously enhancing technological innovation capabilities and comprehensively upgrading business intelligence to fuel high-quality growth through digital empowerment. By 2025, the Company successfully integrated AI large models into its core business processes, achieving iterative upgrades of four major tools and full coverage across eight profit-and-loss statement support modules. It also implemented systematic optimization throughout the entire business chain, including administration, finance, warehousing, transportation, distribution, freight forwarding, shipping, and tank container operations, significantly improving operational efficiency and decision-making effectiveness.

At the technical architecture level, the Company integrates ESG full-text search engine capabilities with AI large model infrastructure to complete system architecture upgrades and solidify its digital technology foundation. Internally, it independently develops systems such as automated receivable billing and intelligent warehousing to enhance operational efficiency. Externally, it builds a 4PL smart supply chain platform to continuously empower customer services, forming a digital development framework of "enhancing internal efficiency while empowering external clients".

### Establishing a digital intelligent management platform

Covering the entire "warehousing-transportation-distribution" chain, the platform integrates cutting-edge technologies such as IoT, AI, blockchain, and big data analytics to achieve real-time positioning of hazardous chemical transport vehicles, dynamic monitoring of key parameters like temperature/humidity/pressure, and full transparency in cargo traceability.

### Developing an intelligent warehousing system

Through hardware upgrades including automated shelving, AGV robots, and intelligent sorting equipment, combined with algorithm-optimized scheduling logic, the system enables unmanned operations and efficient coordination in hazardous chemical storage, loading/unloading, and turnover.

Developed AI visual recognition early warning systems, intelligent detection equipment for hazardous chemical leaks, and digital emergency response plan library, establishing a full-cycle safety protection network covering "pre-incident warning, in-incident response, and post-incident traceability".

Promoted new energy transportation fleets and low-emission warehousing equipment, optimized transportation route algorithms to reduce energy consumption, and developed hazardous waste resource utilization technologies to drive the low-carbon transformation of the chemical and new energy supply chain.

### Innovating safety monitoring and controlling technology system

### Iterating green logistics solutions



## | Intellectual Property Protection

The Company strictly complies with laws and regulations including the *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Patent Law of the People's Republic of China*, and the *Enterprise Intellectual Property Compliance Management System - Requirements (GB/T 29490-2023)*, establishing a comprehensive, multi-dimensional intellectual property protection system. It has obtained GB/T 29490-2013 Intellectual Property Management System Certification.



Shanghai Milkyway Chemical Storage Co., Ltd.'s Intellectual Property Management System Complies with the GB/T 29490-2013 Standard.

## | Management Framework |

The Company has established a comprehensive intellectual property management framework, with clearly defined responsibilities and an efficient collaborative working mechanism.

### Intellectual Property Management Organizational Structure

#### Intellectual property responsible person & practitioner

Coordinate departmental work, formulate annual intellectual property work plans, and liaise with senior leadership, internal colleagues, and external organizations.

#### Patent management team

The team includes R&D personnel responsible for patent mining, as well as staff handling daily intellectual property affairs such as application

#### Compliance and rights protection team

Led by the Company's legal department, responsible for internal intellectual property compliance reviews, infringement monitoring, rights protection case handling, and intellectual property risk prevention and control.





### Intellectual Property Incentive Mechanism

Provided that the basic annual requirements are met (20 software copyrights, 3 utility model patents, and 1 invention patent granted within the year)

the Company offers a reward of RMB **300** per software copyright applications, RMB **3,000** per application for utility model patents, and RMB **30,000** per invention patent application (upon approval)

Additional rewards of up to RMB **50,000** per patent may be applied for if commercial application is achieved. Furthermore, the applicant's performance is directly proportional to the inventor's performance, calculated at a ratio of **10** %

### Management Measures

#### Full lifecycle intellectual property management mechanism



Conduct ownership and feasibility verification before initiating technological innovation, product R&D, and other projects to avoid redundant development and intellectual property disputes. Upon project completion, promptly files patent applications for technical achievements such as inventions and utility models, register trademarks and copyrights to confirm rights, clarify ownership and scope of protection, and establish a regular maintenance mechanism to track patent validity periods and ensure timely payment of annual fees, maintaining continued validity of rights.

#### Digital empowerment



Develop a digital patent management platform to enable dynamic information management, real-time monitoring, and efficient operation and maintenance.



#### Risk prevention and control



Employees are required to sign the Intellectual Property Management Commitment and Confidentiality Agreement upon onboarding, clearly stipulating non-compete clauses and compensation terms to strengthen the protection of trade secrets and core technologies.

#### Intellectual property training



The Legal Supervision Department organizes annual specialized intellectual property training covering compliance requirements, risk warning, and infringement handling to enhance IP awareness among all employees.

#### Rights protection measures



A diversified, tiered rights protection system has been established. Infringement cases are addressed progressively through negotiation, administrative complaints, arbitration, civil litigation, and criminal liability pursuit to safeguard the Company's legitimate rights in innovation achievements.

### Quality Services: Optimizing Customer Experience

Milkyway adheres to a customer-centric approach, continuously improving its service governance system, enhancing service quality, and optimizing customer experience. Through standardized processes, full-process control, digital empowerment, and global expansion, the Company builds an efficient, safe, and professional chemical and new energy service system, steadily strengthening customer loyalty and brand influence.

#### Governance

The Company has established a robust customer service management system, formulating internal policies such as the Customer Service Quality Standards. These comprehensively regulate pre-sales, in-sales, and after-sales service processes, clarifying service benchmarks, response timelines, and quality requirements. Through institutionalized and process-driven management, the Company ensures consistent delivery of service quality, continuously elevating customer satisfaction and brand reputation.

### External Certifications



Huizhou Milkyway Huayitong Transportation Co., Ltd.  
Obtained the Crown Certification Quality Management System Certificate



Nanjing Milkyway Chemical Supply Chain Service Co., Ltd.  
Obtained the ISO9001 Quality Management System Certification



Milkyway Shanghai Lingxing Hazardous Chemical Logistics Co., Ltd.  
Obtained the ISO9001 Quality Management System Certification



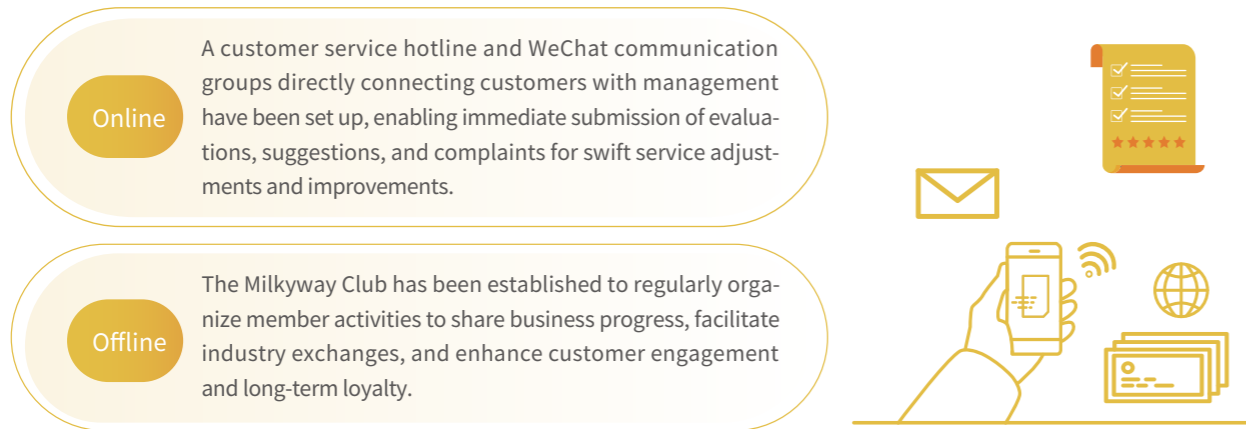
Shanghai Milkyway Chemical Storage Co., Ltd.  
Obtained the NOA Testing & Certification - ISO9001 Quality Management System Certification

Note: Due to the large number of certificates, only a selection of subsidiary certifications are listed above.



## Customer Communication Mechanism

The Company has established an integrated online-offline customer communication channel to facilitate feedback collection, demand research, and complaint handling, achieving efficient interaction, rapid response, and closed-loop management.



## Customer Complaint Handling Mechanism

In handling complaints, the Company adheres to the principles of timely response, clear accountability, full documentation, and closed-loop management, establishing a standardized resolution mechanism.

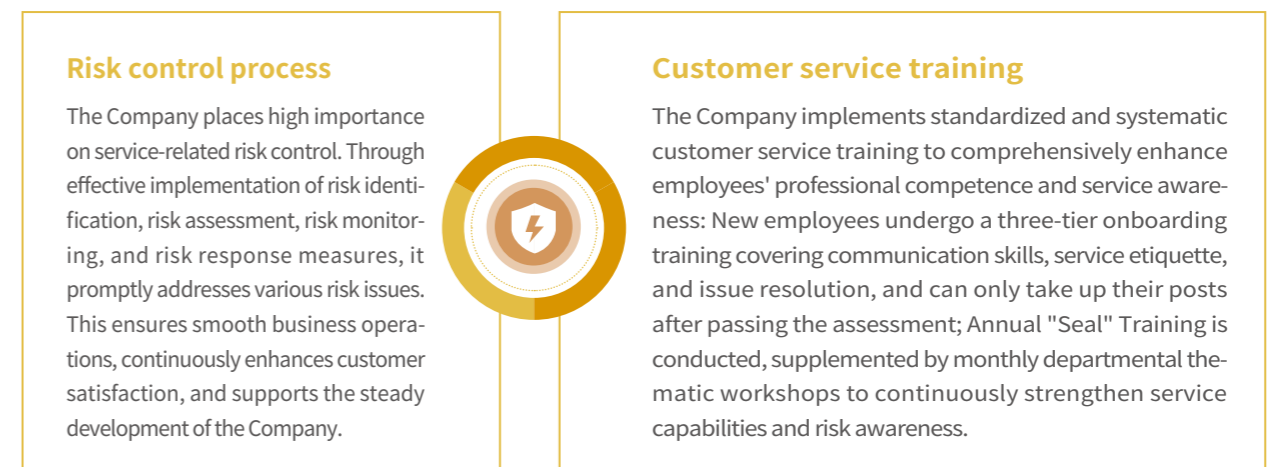


## Strategy

The Company systematically identifies and assesses risks and development opportunities related to service quality, implements dynamic monitoring and precise responses to ensure stable business operations and continuous optimization of customer experience.

|             | Risk/Opportunity Type    | Risk/Opportunity Description   | Likelihood of Occurrence | Time Horizon of Impact | Expected Financial Impact                                   | Response Measures   |
|-------------|--------------------------|--|--------------------------|------------------------|---|---|
| Risks       | Customer churn           | Increasingly stringent domestic and international chemical transportation regulations (e.g., EU REACH, China's new hazardous chemical regulations) may raise compliance costs or lead to business restrictions.                | High                     | Long-term              | Revenue decline due to fines and market access restrictions | Monitor policy changes dynamically, track updates to relevant laws and regulations, and ensure strict compliance  |
|             | Customer complaints      | Customer complaints due to logistics delays, cargo damage, or lack of transparency may lead to contract termination or legal disputes. Chemical transportation safety risks (e.g., leaks) can severely damage brand reputation | Medium                   | Short to medium term   | Compensation payments, reduced profits                      | 1. Establish a real-time monitoring system<br>2. Optimize customer feedback response mechanisms<br>3. Conduct regular safety training and compliance audits   |
| Opportunity | Digital service upgrades | Leverage AI and big data analytics to optimize logistics routes, predict customer needs, and enhance service efficiency and customer experience  | High                     | Medium-term            | Cost reduction and profit increase                          | 1. Increase investment in technological R&D to drive the Company's digital transformation<br>2. Develop customized systems  |
|             | Global customer network  | Leveraging the Belt and Road Initiative to establish overseas warehouses and localized teams, supporting Chinese chemical enterprises going global   | Medium                   | Long-term              | Market share growth and revenue increase                    | 1. Establish joint ventures with local logistics providers<br>2. Establish a multilingual customer service center<br>3. Participate in international chemical industry exhibitions to promote brand |

## Impact, Risk, and Opportunity Management





## Metrics & Targets

The Company establishes clear, quantifiable service quality objectives to drive continuous service capability improvement.



## Information Security: Safeguarding Data Privacy

Milkyway strictly complies with national laws and regulations, fully integrating information security and data privacy protection into business processes. The Company continuously improves its management system to effectively safeguard the information assets of both the Company and relevant stakeholders.

## Governance

### Information Security Governance

The Company has established a robust information security governance framework. It has formulated a series of policies, including the Information Security Management System, Information Security Safeguards, and Information Security Incident Management Measures, providing standardized and normative management guidelines. Meanwhile, the Company established a dedicated Information Intelligence Department to coordinate internal and external data security incident response, handling, and post-mortem analysis, achieving closed-loop management across the entire process of risk identification, control, response, and improvement.

### Data Security Governance

The Company has developed a systematic data governance framework, implementing internal policies such as the Information Sharing Compliance Policy, Data Migration Policy, Data Security Protocol Standards, Data Classification and Tiering Management Policy, and Data De-identification and Anonymization Guidelines. These policies ensure standardized full-process management of data collection, transmission, storage, usage, sharing, and disposal, with strict enforcement of access controls, desensitization procedures, and operational audits to mitigate leakage risks and ensure compliant operations.

## External Certifications

By the end of 2025, subsidiary Anhui Huaiyun Supply Chain Management Co., Ltd. obtained the Level 3 Huaiyun Network Freight Platform System Filing Certificate, while Shanghai Milkyway Chemical Logistics Co., Ltd. obtained the Data Management Capability Maturity Level 2 Certificate.



## Strategy

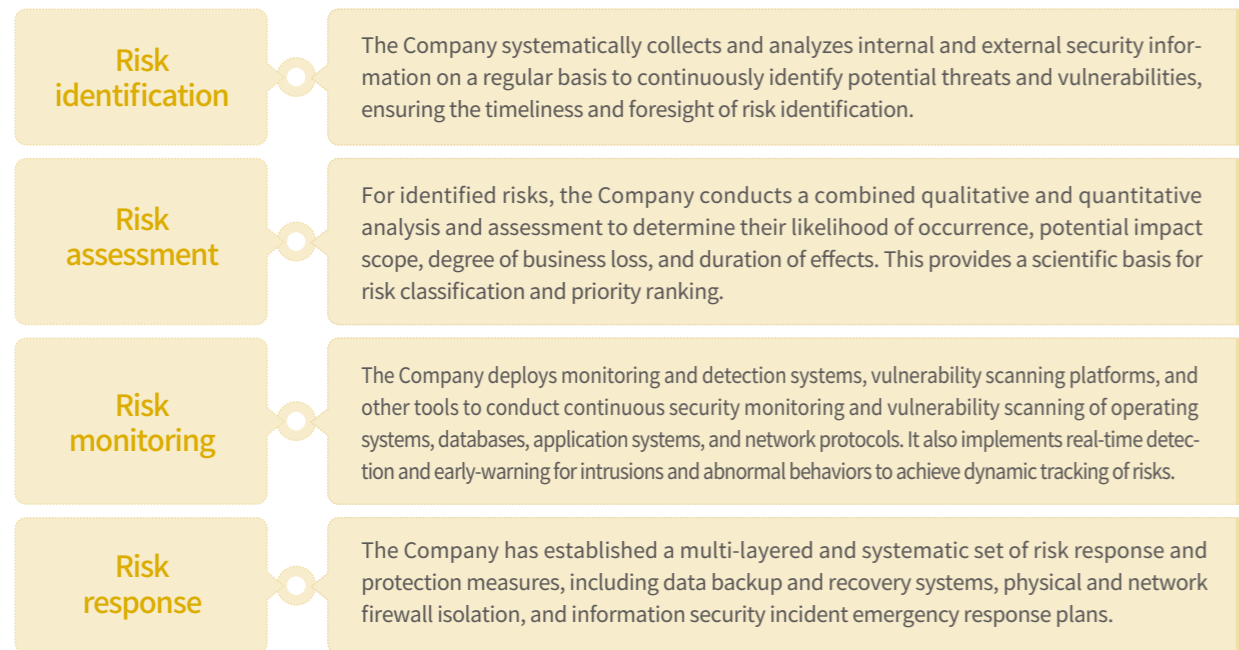
The Company integrates information security into its overall development strategy, systematically identifies, assesses, and dynamically responds to risks and opportunities to ensure stable business operations and secure digital development.

|                    | Risk/Opportunity Type                   | Risk/Opportunity Description   | Likelihood of Occurrence | Time Horizon of Impact | Expected Financial Impact         | Response Measures  |
|--------------------|---|--|--------------------------|------------------------|-----------------------------------|--|
| <b>Risks</b>       | Information security risks              | Cybersecurity incidents such as cyberattacks and data breaches may lead to the exposure of corporate and customer data, adversely affecting normal operations and market reputation      | Low                      | Medium to long term    | Cost increase and revenue decline | <ol style="list-style-type: none"> <li>1. Establish a comprehensive cybersecurity prevention system and conduct regular security assessments</li> <li>2. Implement tiered and classified data management to strengthen data governance capabilities</li> <li>3. Develop emergency response plans for information security incidents to enhance the Company's emergency response capabilities and efficiency</li> </ol> |
| <b>Opportunity</b> | Technological development opportunities | The application of technologies such as cloud computing and big data analytics can enhance data processing efficiency and business operational efficiency while reducing operating costs | High                     | Medium to long term    | Cost reduction                    | <ol style="list-style-type: none"> <li>1. Increase investment in information technology to improve data processing and analytical capabilities</li> <li>2. Collaborate with leading cloud service providers to ensure data security</li> </ol>   |



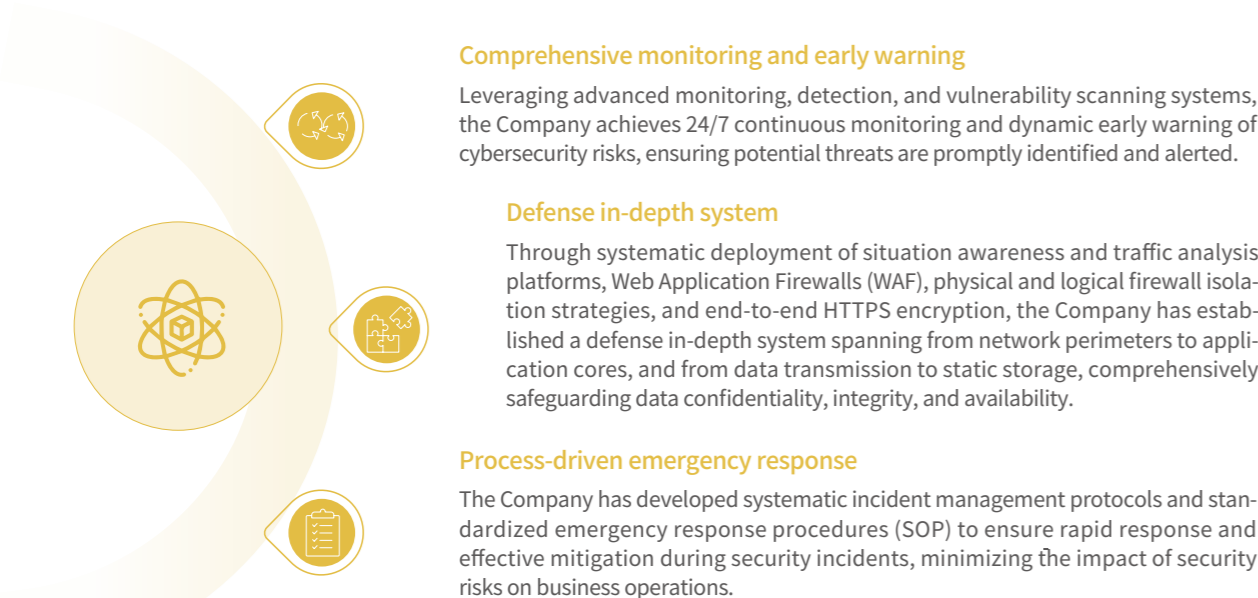
## Impact, Risk, and Opportunity Management

### Full-process Risk Management



### Technical Protection System

The Company has continuously enhanced its information security management capabilities by deploying a multi-layered technical protection system, establishing a comprehensive security safeguard network that covers monitoring, defense, and response.



### Security Awareness Cultivation

The Company regards personnel awareness as the first line of defense. The Company institutionalizes information security and data protection education through internal campaigns, thematic training, and case studies. Training covers foundational security knowledge, regulatory compliance, access management, emergency response, and real-world case analyses, strengthening all employees' capabilities in risk identification, compliant operations, and proactive protection to build robust security across all personnel, domains, and processes.

### Emergency Incident Management

In accordance with the Information Security Incident Management Measures and Emergency Response Plan, the Company has established a comprehensive emergency response mechanism covering monitoring and early warning, emergency handling, investigation and assessment, review and improvement, as well as drill and support. The Information Intelligence Department organizes annual emergency training and drills to ensure regular coverage of critical business systems, continuously enhancing the team's capabilities in rapid response, coordinated handling, and recovery and reconstruction.

### Metrics & Targets

The Company sets clear objectives and quantifiable metrics across dimensions such as vulnerability management, access control, data encryption, backup and recovery, and incident prevention, aiming to continuously improve security protection levels.

| Target  |  |  |   |   |
|---|--|--|---|---|
| Security incidents caused by system vulnerabilities   | Establish and maintain effective data access control and audit mechanisms  | Enhance data recovery and disaster recovery capabilities   | Number of data breach incidents   | System security scanning frequency                          |
| Strengthen vulnerability management comprehensively to ensure no security incidents caused by system vulnerabilities occur throughout the year; | Develop strict data access control policies based on role-based and least privilege principles to ensure sensitive data is only accessible to authorized personnel. Implement a comprehensive data access audit mechanism to achieve traceability and monitoring of all data operations; | Continuously improve the data backup and disaster recovery system to enhance data recovery efficiency and business continuity capabilities, ensuring critical data can be restored and operations can resume within the shortest possible time in the event of data loss or disasters; | Decreased compared to the previous year. Sensitive data encryption coverage >98%; | No less than once per month; Data backup success rate >99%. |

### Target Achievement Status

During the reporting period, the Company experienced no data security breaches or customer privacy breach incidents.



# Responsibility Dimension

## Forging Ahead Together to Draw a Blueprint for a Harmonious Society

Milkyway considers talent as its core capital, actively fostering a diverse, inclusive, and growth-driven workplace ecosystem. Adhering to the principle of "safety first," the Company treats occupational health and production safety as its lifeline, strengthening defenses through digital management. It deepens responsible procurement mechanisms, collaborates with partners to build a green supply chain, and actively engages in social welfare initiatives, demonstrating corporate responsibility through concrete actions. Milkyway is committed to achieving the harmonious integration of corporate value and social well-being through collective efforts.





## Equality and Diversity: Strengthening Rights Protection

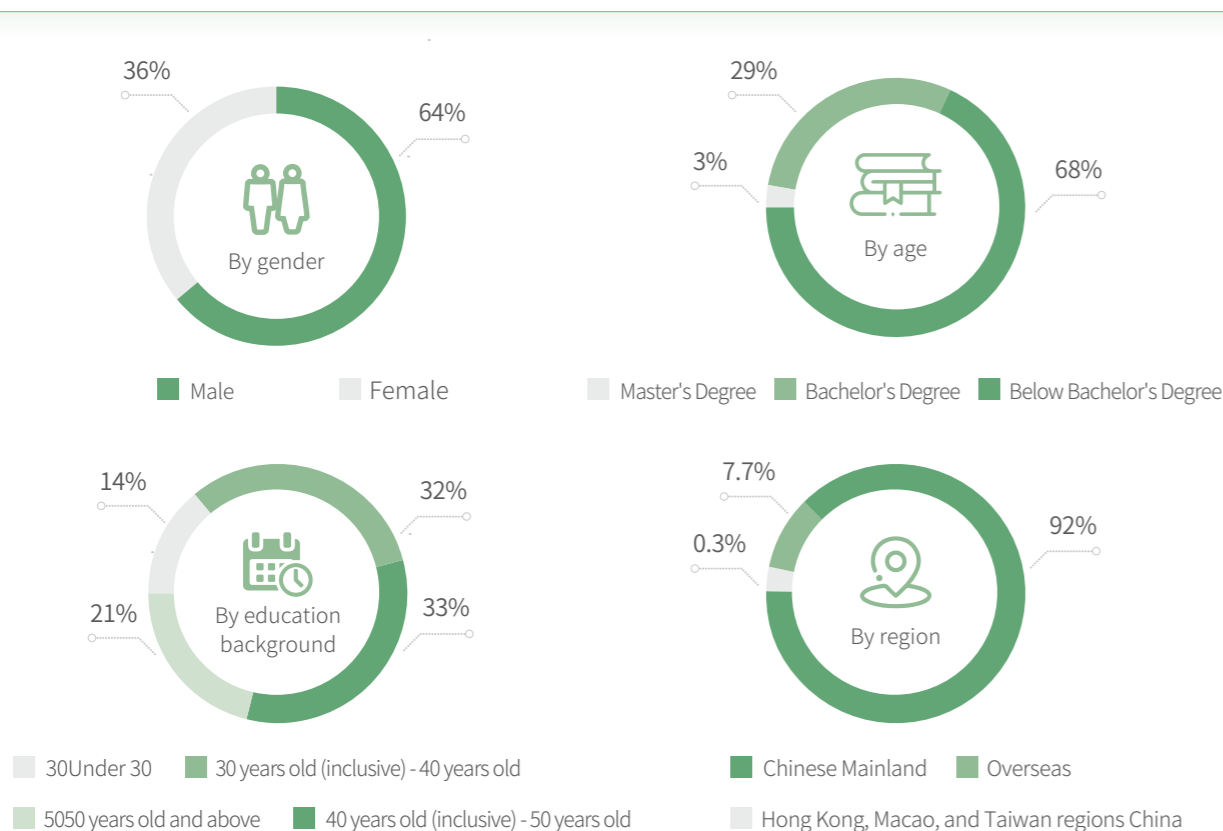
Milkyway adheres to the employment philosophy of diversity, equality, and inclusion. We strictly comply with applicable labor and employment laws and regulations, comprehensively safeguard employees' legitimate rights and interests, actively foster a fair, respectful, and barrier-free workplace environment, and provide equal employment opportunities and career development support for all groups.

### Compliant Employment

The company strictly adheres to relevant laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, as well as international labor standards. It has established and implemented corporate policies and guidelines for compliant employment. Specifically, the Company has formulated the Sustainable Development Management Measures, which outline six principles and management objectives covering employee recruitment, health and safety, remuneration, and benefits. These measures standardize employee management and ensure compliance, fairness, and transparency in recruitment processes.

Meanwhile, the Company continuously expands recruitment channels through its official website, mainstream job platforms, campus recruitment, internal referrals, and other methods to attract diverse talent. It has developed a systematic and professional recruitment and hiring management system, providing strong support for talent recruitment and development.

2025 Total number of employees: 3,941



## Diversity & Inclusion

### Diverse Recruitment

The Company actively promotes workplace diversity and inclusion through parallel initiatives in both infrastructure and employment policies. Every floor of the Company's global headquarters is equipped with accessible restrooms, effectively ensuring convenience for employees with disabilities in their daily work. In 2025, the Company hired nearly 30 employees with disabilities and 60 employees from ethnic minorities, providing equal employment and development opportunities for diverse groups through concrete actions.

### Prohibition of Child Labor

The Company upholds the bottom line of labor compliance, strictly prohibits child labor, and opposes any form of forced labor, effectively safeguarding the legitimate rights and interests of workers. The Company explicitly prohibits the employment of minors under the age of 16 and requires all partners to comply with anti-child labor regulations. If any supplier or partner is found to employ child labor during cooperation, the Company will immediately terminate the partnership.

In recruitment and onboarding management, the Company strictly implements identity verification, background checks, and age validation, and other procedures. Through multiple mechanisms including interview screening, ID verification, and system red-line controls, the Company eliminates the risk of child labor from the source. In special circumstances such as unintentional child labor employment, the HR and employment department will strictly follow the Labor and Human Rights Management System to immediately initiate assistance and resolution procedures, processing the matter in accordance with laws and regulations.

Additionally, the Company strictly prohibits forced labor through violence, threats, or illegal restriction of personal freedom, ensuring all employees establish labor relations on a voluntary basis. During the reporting period, the Company achieved a 100% employee contract signing rate, with no incidents of illegal activities such as child labor or forced labor. The labor compliance and human rights protection system operated effectively.





## | Anti-Discrimination and Anti-Harassment |



● The Company upholds the principles of fair employment and equal treatment, strictly prohibiting any form of discrimination throughout the entire employment lifecycle, including recruitment, employment, and termination, based on gender, age, marital status, pregnancy, race, appearance, nationality, disability, religious beliefs, or other factors. We are committed to safeguarding the dignity and legal rights of all employees.



● The Company strictly prohibits any form of harassment, humiliation, or intimidation, including physical, verbal, written, or gestural conduct, as well as any inappropriate behavior with sexual undertones or demeaning intent. We strive to foster a fair, respectful, harmonious, and safe working environment. Additionally, the Company places high importance on employee privacy protection and standardizes the management of sensitive information such as physical examination reports, which cannot be accessed without employee consent. Discussions, leaks, or discrimination of employees' privacy and physical conditions are strictly forbidden.



● The Company has established smooth reporting channels, encouraging employees to report violations such as discrimination, harassment, humiliation, or intimidation through suggestion boxes, hotlines, or other means. All reported matters are kept strictly confidential, thoroughly investigated, and handled in accordance with policies. For employees who have suffered harm, the Company promptly implements protective measures, emotional support, psychological counseling, and necessary financial assistance to help them resume normal work and life, continuously fostering a healthy, inclusive, and caring workplace ecosystem.

## | Anti-Forced Labor |

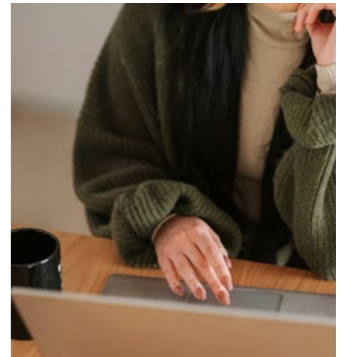
The Company strictly adheres to labor compliance requirements and solemnly commits to respecting employees' freedom of employment, firmly opposing and eliminating any form of forced labor. The Company does not recruit employees for debt repayments or compel employees to sign unreasonable contracts or engage in work against their will on the basis of debt. Upon hiring, the Company strictly prohibits practices such as collecting deposits or confiscating identification documents, fully safeguarding employees' personal and property rights.

During employment, the Company comprehensively prohibits forced labor. Overtime work follows the principle of voluntariness, and employees are never coerced through violence, threats, or unlawful restrictions on personal freedom. The Company ensures employees' freedom to use restrooms and drink water during work hours, as well as their right to leave normally after shifts. Physical punishment, unlawful fines, or other disciplinary measures are strictly forbidden.

The Company signs labor contracts with all employees on the basis of equality, voluntariness, and mutual agreement, with each party holding one copy, and fulfills rights and obligations in accordance with the law. The Company fully respects employees' freedom to resign. Probationary employees can submit resignation applications in writing three days in advance, and regular employees 30 days in advance, all of which are handled in accordance with regulations, safeguarding employees' legitimate rights to independent career choice.


## | Protection of Women's Rights |


To ensure compliance and fairness in recruitment processes and protect equal employment rights for employees of diverse backgrounds, The Company has established an anti-discrimination and diversity management system, explicitly prohibiting discriminatory clauses based on gender, age, region, disability, etc., in recruitment processes. It sets diversity recruitment targets, such as the proportion of female hires and job adaptation requirements for employees with disabilities. The Company has set up mother-and-baby rooms nationwide to provide comfortable spaces for breastfeeding and implemented maternity/paternity leave policies, and we also provide comfortable space for their children to study, ensuring female employees can balance work and life while fully realizing their potential in the workplace.




## Democratic Management

Taking into account the characteristics of the chemical logistics industry and the actual needs of employees, the Company continuously improves its democratic management system and organizational structure. The trade union maintains a sound organizational framework and conducts leadership transitions in accordance with the law. Employee representatives cover core frontline positions such as warehousing, transportation, and distribution, ensuring effective communication of grassroots staff concerns. The trade union diligently fulfills its rights protection and oversight functions:

- 

**Strengthening labor safety and health supervision:** Focusing on high-risk areas like long-distance driving, outdoor operations, and cargo handling, the union promotes the improvement of safety training systems, improving PPE allocation, optimizing work procedures, and leading specialized safety inspections and emergency drills to ensure effective implementation of occupational health
- 

**Protecting employees' economic rights and interests:** The union actively participates in the negotiation and revision of compensation and benefit systems, helping to establish more reasonable performance evaluation and incentive mechanisms.
- 

**Improving working and living conditions:** The union promotes the solution of practical difficulties such as the upgrading of facilities at drivers' rest stops and heatstroke prevention for warehousing employees. It organizes multiple c such as "sending coolness" in summer and "sending warmth" in winter, enhancing team cohesion.

## Moving Forward Together: Partnering with Talent

Milkyway consistently regards talent as the core driver of development. Through a systematic "selection, cultivation, utilization, and retention" mechanism, it builds a competitive and caring talent ecosystem, achieving mutual growth for both the Company and its employees.



## Development and Training

The Company has placed high priority on the introduction and cultivation of international, high-caliber, and leading talented mind, and in line with the unique attributes of the chemical logistics sector, has tightened assessment of safety qualifications and professional competencies during recruitment for core roles covering hazardous chemical transportation and warehousing, while consistently delivering application-oriented professional talents to the industry through targeted school-enterprise collaborative training programs. It has also actively responded to the national call for ensuring stable employment, expanding the recruitment quotas of interns and management trainees to create more job opportunities for young people.

With talent as the core driver of development, the Company has established a diversified incentive system combining monetary rewards, equity incentives, and honorary recognition. This aligns contributions with rewards, enhances employee engagement, and fosters mutual growth between the Company and its employees.

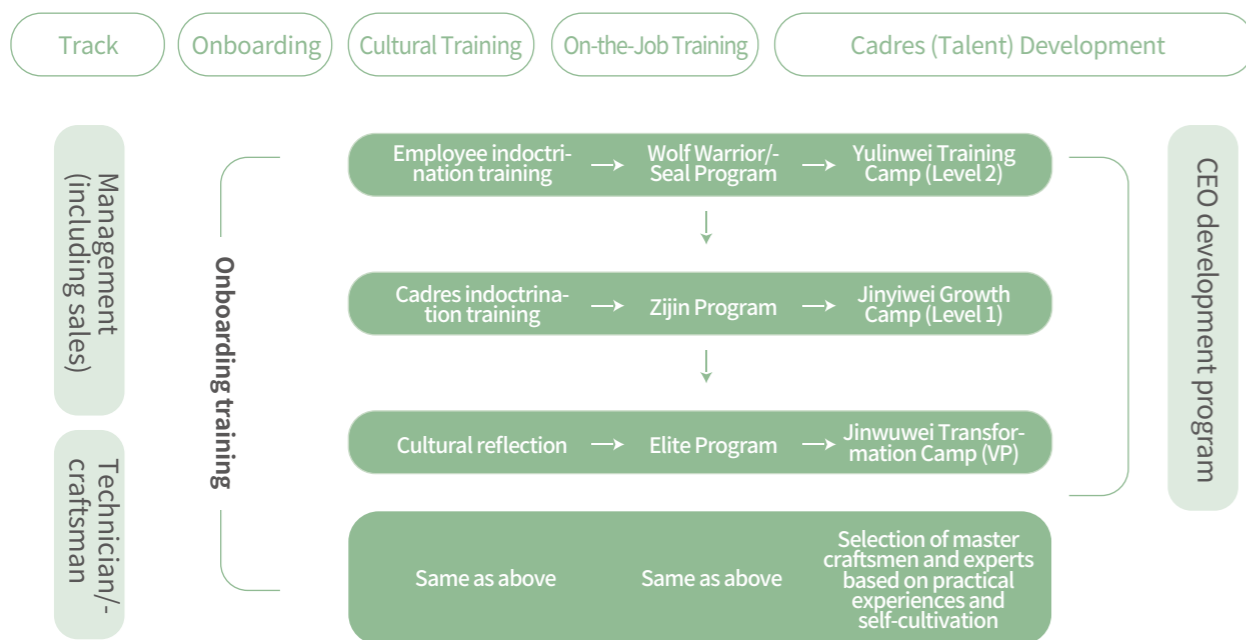
### Career Development Paths

The Company has established a dual-track promotion system centered on management and professional capabilities, opening up career progression channels for non-managerial roles in business, technology, safety, and other fields. It implements a globally unified MDT position level standards, providing employees with clear and predictable career development paths. During the reporting period, 98% of employees regularly participated in performance and career development evaluations. Through the annual business recognition conference, the Company incentivizes teams and individuals who excel in innovation, technology, business, regional expansion, and other areas, fostering a culture of excellence and healthy competition.



Milkyway Holds 2025 Annual Business Recognition Conference

### Employee Career Development Paths and Promotion Channels



## Training Management

The Company regards employee growth as a crucial cornerstone of sustainable development, committed to building a systematic and diversified talent cultivation system. By formulating and implementing the Personnel and Administrative Management System, the Company systematically enhances organizational vitality and depth of its talent pool. Through mechanisms such as training, practical mentorship, and lifelong learning, it actively fosters a cultivating organization, strongly supporting strategy implementation and sustainable development. Also, driven by advanced culture, scientific systems, and digital tools, the Company focuses on building a talent team with a global vision, cultural cohesion, and diverse capabilities, continuously empowering business development and facilitating the comprehensive achievement of corporate strategic objectives.



### Diversified Training Initiatives

#### Digital training system

- Adhering to the development philosophy of "integrating training into culture and leveraging talent to support strategy," the Yanji Academy serves as the core platform. It establishes a digital training system that covers all employees, scenarios, and cycles, fostering a cultivating organization and a global talent pipeline.
- In 2025, **13** mentors completed certification to guide newcomers in their integration, while **22** senior instructors contributed to cadres training programs. The Yanji Academy gathers internal professional experience and builds an independent learning platform. It currently offers **1,647** internal courses and nearly **1,200** external general courses, spanning strategy and practical skills, to support employee growth with abundant resources.

#### Personalized development path

- Integrate business with multi-dimensional performance tools (KPI+OKR) and sharing mechanisms, foster an entrepreneurial culture, and build elite teams, forging a robust and resilient organizational foundation;
- Enhance the depth of its talent pool through talent development programs like the Yulinwei, Jinyiwei, Jinwuwei camp programs, and CEO program, with strengthened process tracking;
- Establish competency models for key positions and formulate personalized talent development plans through talent inventory assessments.
- Collaborate with top-tier institutions such as CEIBS to conduct cutting-edge exchanges, focusing on globalization and intelligence to empower the growth of core talents.
- Encourage employees to obtain professional qualifications and skill certifications, continuously enhancing their professional capabilities and management proficiency.



## Training System Architecture

### 1 Onboarding training (Mandatory course)

- Level 1: Onboarding guidance + HR/Administration/Finance/IT policy training.
- Level 2: Safety training, covering chemical and basic safety knowledge + accident complaint handling procedures.
- Level 3: On-the-job training, including management systems/job responsibilities & operations/system operations/business practices, to master job-specific skills.

1

### 2 Cultural Training (Mandatory course)

- Indoctrination Program: A mandatory course for all new employees to complete within their first year, designed to facilitate rapid integration and familiarity with the company.
- Cultural Reforging: Combined with team-building and professional training to reshape corporate culture identity, eliminate interdepartmental barriers, and enhance employee belonging.
- Cultural Reflection: The executive team reflects on corporate culture to achieve deeper integration, eliminate barriers between business divisions, reinforce trust, and strengthen a sense of belonging.

2

### 3 On-the-Job Training (Mandatory course)

- Employee Development Programs: Wolf Warrior Training, SEAL Training.
- Cadres Development Programs: Zijin Program, Elite Program.

3

### 4 Cadres (Talent) Development

- Yulinwei Training Camp (Level 2): Identify candidates from employee indoctrination training to receive Haibao (Seal) training, then select the qualified candidates for Yulinwei Training Camp
- Jinyiwei Growth Camp (Level 1): Identify candidates from cadres indoctrination training to receive Zijin Program training, then select the qualified candidates for Jinyiwei Growth Camp
- Jinwuwei Transformation Camp (VP): Identify candidates from cultural reflection training to receive Elite Program training, then select the qualified candidates for Jinwuwei Transformation Camp
- CEO Development Program: Fast-track talent cultivation with mentorship from the Chairman and VP, adopting an elimination mechanism

4

### 5 Knowledge & skills sharing (Elective courses)

- Knowledge Sharing: Academy Lectures, Reading Clubs, BOSS Talks, Tiger Sniff Collection, Learning Clubs, etc.
- Skills sharing: Supporting departmental policies and business expertise sharing.

5

### Typical Case Indoctrination Training

In 2025, the Company conducted six sessions of cultural indoctrination training for new employees and newly appointed cadres, with a total participation of 291 attendees. The training duration was 1.5 days for employees and 3.5 days for cadres. The cultural indoctrination training not only helped participants deeply understand the corporate culture, but also provided cross-departmental communication and presentation opportunities, guiding new employees toward self-motivation through cultural immersion.



### Typical Case Quarterly new cadres intensive training (professional skills training)

In 2025, the Company organized quarterly intensive training for new cadres, featuring in-person instruction by lecturers including the Chairman and Vice Presidents. The training content included a series of courses on the Sixth Five-Year Plan, intelligent management system, market value management and investment, as well as financial/personnel/information/security management systems and implementation requirements. The training effectively enhanced new cadres' understanding of corporate strategy, cultivated their theoretical and practical capabilities, and equipped them with knowledge in organizational management, investment budgeting, marketing, safety technological innovation, and other fields.





## Milkyway Skills Competition Events across Business Regions



2025 Lingang Area Forklift Skills Competition



Warehousing and Packaging Division Firefighting Competition



## Remuneration and Benefits

The Company has established a scientific, fair, and incentive-driven remuneration and benefits system, committed to providing employees with comprehensive material support and humanistic care, supporting their professional growth and improvement of their quality of life.

### Remuneration Incentive Mechanism

The Company has developed a robust, standardized, and competitive compensation incentive system, continuously optimizing the internal MCP system and payroll platform to achieve 100% accuracy and timeliness in salary disbursement. System verification and monthly audits are carried out to ensure compliance with operational mechanisms. The Company implements a compensation system based on job value, integrating performance and market wages. Remuneration grades are determined by considering industry standards, regional pay levels, job attributes, employee capabilities, work contributions, and educational background, adopting a differentiated, equitable, and competitive compensation strategy.

Meanwhile, adhering to the "created by employees, shared by employees" distribution philosophy, the Company offers market-competitive remuneration based on position and skill differences. Through diversified incentives such as base salary, performance bonuses, quarterly awards, and annual bonuses, it allows employees to share the fruits of the Company's development. Combined with promotions and position adjustments, we have established a regular salary growth mechanism to fully stimulate employee motivation and creativity.

Additionally, the Company has enhanced its employee stock ownership platform, expanding coverage to core technical and managerial staff. Aligned with position value and market benchmarks, an "excess profit sharing plan" has been implemented for key roles to incentivize higher performance and align employees' long-term interests with the Company's.

## Welfare Benefits

### Basic benefits

The Company provides statutory social insurance and housing fund (five social insurances and one housing fund) as required by national regulations, supplemented by commercial insurance, holiday benefits, and diverse welfare protections. These include housing provident fund, anniversary gifts, seniority allowances, and living subsidies. Through a tiered, position-based subsidy package, the Company has effectively improved employees' quality of life while enhancing their sense of belonging and job satisfaction.

For frontline operational and transportation roles, the Company provides additional specialized benefits such as high-temperature allowances and night shift premiums. Outdoor workers are equipped with professional protective gear, safeguarding employee rights while effectively reducing occupational health risks.



### Working hours

The Company implements standard working hours, with reasonable schedules tailored to job characteristics and operational needs. Non-fixed positions follow legally compliant flexible work arrangements, supported by a quality-focused performance evaluation system. The Company promotes efficient work and discourages unnecessary overtime. When overtime is required, it strictly follows voluntary principles while enforcing controls: weekly working hours not exceeding 60 hours, no more than 6 consecutive working days, and mandatory rest on the 7th day. Overtime pay is calculated and disbursed in full compliance with national laws and regulations.



### Rest and leave

The Company strictly complies with national laws and regulations to provide employees with statutory paid leave, including public holidays, annual leave, marriage leave, maternity leave, breastfeeding leave, parental leave, bereavement leave, and sick leave.



## Employee Care

The Company has established a systematic and people-oriented employee care system, fostering a respectful, warm, and cohesive organizational atmosphere through regular communication, hardship assistance, and cultural initiatives.



## | Multi-channel Communication |

The Company has established a systematic communication mechanism covering key career milestones for employees, ensuring smooth information flow and timely feedback.

- Milestone communication**  
 During onboarding probation, job transfers (promotions/demotions), and resignation phases, the HR department and direct supervisors conduct targeted discussions on issue resolution, career planning, and resignation reasons.
- Ceremony**  
 Welcome ceremonies are held for senior management appointments, while farewell gatherings are organized for retiring employees, conveying respect and warmth.
- Senior management dialogue**  
 The Chairman, Vice President, and General Manager regularly conduct one-on-one discussions with key personnel, focusing on work status, challenges, and suggestions to facilitate two-way communication and support.
- Feedback channel**  
 A dedicated employee feedback platform is established via the Enterprise WeChat Colleague Forum, enabling direct communication from frontline staff to senior management, promoting transparency, knowledge sharing, and collective progress.



## | Employee Assistance Program |

The Company has established a systematic and long-term assistance mechanism for employees in need, continuously conveying corporate warmth. The labor union has long implemented the "Winter Sunshine Assistance Program," focusing on supporting special employee groups such as those with serious illnesses or family difficulties. In 2025, the dedicated assistance fund exceeded RMB 100,000, with cumulative investments nearing RMB 2 million, effectively alleviating employees' financial pressures and safeguarding their basic living standards and health security.

## | Recreational Activities |

The Company enhances organizational vitality and cohesion through diverse recreational and thematic activities, including skills competitions and sports events, to improve employees' comprehensive competencies. On the occasion of the Company's 27th anniversary, the 8th "Little Logician" parent-child activity was held. Through on-site observation, hands-on equipment experience, and emergency drills, enhancing the emotional bond between employees' families and the Company. In 2025, two new employee book corners were built in Xinqiao and Zhenjiang, with a collection of over 2,000 books, creating an atmosphere of a learning-oriented organizational culture. This helps to support employees' continuous growth, and build a harmonious, warm, and progressive workplace ecosystem.

## Safety First: Safeguarding Employee Health

Milkyway strictly complies with the Work Safety Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, and other relevant laws and regulations. The Company upholds the bottom line of safe development, establishes a systematic occupational health and safety management system, and comprehensively safeguards employees' life safety and physical and mental health. It has been continuously cultivating its industrial workforce, and scaling up all-round training for its fire control team covering hazardous chemical emergency rescue drills and professional skill upgrading, to fulfill its corporate social responsibility commitment of making society safer and supply chains more efficient.

### Governance

The Company has established a safety management organizational structure with clearly defined responsibilities and efficient collaboration, and set up a safety supervision division to oversee its work safety.

### | Work Safety Governance Structure |



### | External Certifications |

During the reporting period, the Company and nine subsidiaries obtained the ISO45001 Occupational Health and Safety Management System certification, while 13 subsidiaries received the Work Safety Standardization Certificate.

- Huizhou Milkyway Huayitong Transportation Co., Ltd.**  
 obtained the Crown Certification for Occupational Health and Safety Management System.
- Jiangxi Milkyway Xiangwang Supply Chain Management Co., Ltd.**  
 received the Work Safety Standardization Certificate for Transportation Enterprises (Level III).
- Qingdao Milkyway Chemical Storage and Transportation Co., Ltd.**  
 obtained the Work Safety Standardization Certificate (Level III - Road Transportation of Hazardous Goods).



Note: Due to the large number of certificates, only a selection of subsidiary certifications are listed above.

## Strategy

The Company comprehensively identifies and assesses workplace safety hazards and health risks, implements precise prevention and control measures with dynamic management, while seizing opportunities for management enhancement to strengthen the foundation of safe operations.

|                    | Risk/Opportunity Type | Risk/Opportunity Description   | Likelihood of Occurrence | Time Horizon of Impact | Expected Financial Impact   | Response Measures   |
|--------------------|-----------------------|--|--------------------------|------------------------|-----------------------------|---|
| <b>Risks</b>       | Operational Risks     | In the event of an occupational health or work safety accident, the Company's operational efficiency may decline. In severe cases, business operations could be disrupted, requiring substantial financial resources for accident resolution.                                  | Low                      | Short to medium term   | Increased Operational Costs | Establish standardized procedures for hazard identification, prevention and corrective governance, and take measures such as hazard identification, enhanced protective facility maintenance and regular inspections to mitigate potential risks. |
| <b>Opportunity</b> | Management Efficiency | Optimizing occupational health and safety management processes and properly handling related matters can enhance the Company's overall management efficiency, reduce the incidence of occupational health and safety accidents, and minimize accident response time and costs. | High                     | Medium to long term    | Cost Reduction              | Enhance management efficiency through the introduction of advanced equipment and digital management initiatives, and develop accident emergency response plans to improve emergency handling efficiency.  |

## Impact, Risk, and Opportunity Management

The Company strictly implements the national occupational health and safety policies and formulates the Identification and Management Standards for Occupational Hazard Factors. It establishes a comprehensive occupational health management system covering identification, assessment, control and monitoring, continuously managing safety risks and systematically preventing occupational disease hazards.

## Occupational Health Risk Identification and Control Process

### Hazard Identification and Evaluation

In accordance with the Occupational Disease Prevention and Control Law of the People's Republic of China and the Classification Catalogue of Occupational Disease Hazard Factors, the Company conducts workplace identification covering chemical substances, high temperature, noise, and occupational motor vehicle driving, and issues the Hazard Identification and Evaluation Form.

### Hazard Investigation and Management

Historical hazard warning: Before order execution, the system automatically matches and calculates potential hazards such as historical accidents/complaints/litigations/near-miss incidents based on business categories/partner names and other dimensions, providing early warnings. Hazard identification recording and notification: During order execution, hazards related to personnel, environment, equipment, and business operations are identified through manual self-inspections or automated system checks. Those hazards are recorded and notified. Inspection methods include IVMS, IOT, MCP AI, and on-site inspections.

### Emergency Response Plan

Develop the General Emergency Response Plan and continuously optimize emergency response procedures to ensure swift and proper handling, minimizing or avoiding losses. In 2025, the Company conducted 170 safety emergency drills.

## Occupational Health Management Measures

The Company adheres to an employee-oriented approach, implementing systematic protective measures to ensure both physical and mental health.

### Occupational Hazard Prevention

Prominently display warning signs and instructions at workplaces with severe occupational disease hazards; Install alarm devices and provide first-aid supplies in workplaces prone to acute occupational injuries; Establish the Personal Protective Equipment (PPE) Management Regulations to equip employees entering hazardous work environments with protective gear; Conduct regular inspections, maintenance, and servicing of protective facilities.

### Occupational Health and Safety Education

Provide pre-job and on-the-job occupational health training to employees, covering the dissemination of occupational health knowledge, explanation of occupational disease prevention laws and regulations as well as internal policies, and guidance on the proper use of occupational disease prevention equipment and supplies.

### Occupational Health Incident Handling

In the event of an occupational health incident, immediately cease operations causing occupational disease hazards, evacuate personnel, promptly provide medical treatment, health examinations, and medical observation to workers potentially exposed to acute occupational hazards, report the incident as required, and cooperate with relevant authorities in investigations.

### Occupational Health and Safety Education

A dedicated system safety officer is responsible for occupational health examinations. Employees are arranged to undergo annual occupational disease screenings, with follow-up and closed-loop management for those showing abnormal results to ensure timely and effective handling and intervention.

### Employee Mental Health Protection

Establish "Mind Stations" and conduct biennial mental health assessments and evaluations, with timely counseling provided if issues are identified.



## Work Safety and Health Management Measures

Through digitalization, standardization and human-centric management, the Company builds a comprehensive work safety management system.

- Work Safety Responsibility Implementation** | Annually sign the Work Safety Responsibility Agreement with all employees to strictly implement work safety production responsibility.
- Digital Work Safety Management** | Independently develop the ASM platform for hazardous goods control, enabling 24/7 real-time monitoring of warehouses and work sites with automatic anomaly alerts.
- Work Safety Culture Development** | Regularly conduct specialized training on regulatory interpretation, hazardous materials management, and emergency response to enhance employees' safety awareness and operational capabilities.

Shanghai Milkyway Chemical Storage Co., Ltd. held the 8th Fire Emergency Evacuation Drill and Skills Competition Activity.

Milkyway was granted the Safety Performance Award in the ExxonMobil project.

Milkyway driver Xi Yubin was honored as a Model Worker of Jiangsu Province and Zhenjiang City for maintaining a 20-year safe driving record with "zero accidents and zero violations".

Milkyway Vocational School completed a 7-day training program on hazardous chemicals vehicle rescue techniques for 30 firefighters from Nantong Expressway.

## Metrics & Targets

The Company has established clear occupational health and safety management objectives and plans, driving continuous improvement through quantifiable metrics.

- Long-term goals** | No injuries to personnel, no damage to the environment, no business incidents, and no complaints from customers.
- Annual goals** | The proportion of accident-related losses is less than **0.760%**, the complaint rate accounts for less than **0.024%**, the completion rate of hazard rectification reaches **98%**, and the number of personal injury incidents is decreased by **10%**.
- 2025 Target Achievement** | All annual goals were achieved.

## Responsible Procurement: Building a Green Supply Chain

Milkyway has always adhered to the development philosophy of "coexistence and win-win", upholding compliant operations and integrity in partnerships. We deeply integrate ESG principles into the entire supply chain process and advance collaborative and sustainable development with partners, society, and the natural environment, thereby constructing a safe, green, efficient, and responsible supply chain ecosystem.

### Governance

The Company strictly complies with the laws, regulations, and industry standards in its operating locations. A robust responsible procurement and supply chain management system has been established. Specialized policies such as the Supplier Code of Conduct, the Supply Chain Sustainability Management Standards, and the Supplier Social Responsibility Management and Training have been formulated. Key factors, including ESG performance, work safety, compliant operations, and environmental protection, are integrated into the entire supplier lifecycle—from qualification and auditing to evaluation and exit, ensuring standardized, institutionalized and transparent supply chain management.

Additionally, the Company has established a governance framework with clearly defined roles and responsibilities. The Procurement Department leads the development, oversight, and execution of supply chain management policies, as well as supplier development and centralized management, ensuring consistent implementation across subsidiaries. Through full lifecycle supplier management, the Company continuously enhances the stability, safety, and sustainability of its supply chain.



### Strategy

The Company integrates supply chain safety and sustainability into its overall strategic planning, embedding these principles into corporate governance, comprehensive risk management, and daily operations. It systematically identifies and assesses supply chain-related risks and opportunities, implementing targeted measures to ensure supply chain efficiency, stability, and long-term competitiveness.

|                    | Risk/Opportunity Type | Risk/Opportunity Description   | Likelihood of Occurrence | Time Horizon of Impact | Expected Financial Impact   | Response Measures  |
|--------------------|-----------------------|--|--------------------------|------------------------|-----------------------------|--|
| <b>Risks</b>       | Technological risks   | Supply chain technologies such as IoT, AI, and blockchain are evolving rapidly. Failure to adopt them in a timely manner may lead to lower operational efficiency and increased costs. | High                     | Medium to long term    | Increased Operational Costs | Continuously monitor cutting-edge industry technologies and systematically introduce suitable solutions aligned with business scenarios to enhance the digitalization and intelligence of the supply chain.          |
| <b>Opportunity</b> | Market Opportunities  | The sustained growth in cross-border e-commerce and global supply chain demand creates opportunities for global network expansion and business development.                            | High                     | Medium to long term    | Cost Reduction              | Actively collaborate with premium partners such as cross-border logistics and overseas warehouses to optimize cross-border supply chain networks, explore emerging markets, and enhance global service capabilities. |



## Impact, Risk, and Opportunity Management

### Supplier Management

The Company has established the Supplier Qualification Policy and implemented a comprehensive supplier management system covering qualification, audit, and elimination processes. It adheres to diversified cooperation and long-term stable partnerships, ensuring supply quality, operational safety, and compliance through tiered classification management.



#### Supplier Qualification

The Company has enforced a rigorous supplier qualification mechanism. Led by the Safety Empowerment Center, it conducts qualification reviews, on-site assessments, credit evaluations, and specialized RSQAS (hazardous materials) assessments. These evaluations comprehensively cover corporate qualifications, safety management, quality assurance, and subcontractor management. Only qualified suppliers are included in the approved supplier list.

#### Supplier Audits

The Company conducts annual on-site audits for suppliers in road transportation, warehousing, trading, fixed asset procurement, and administrative services. Monthly KPI assessments are also performed, covering order acceptance, on-time delivery, customer complaints, and timely/accurate account reconciliation.

#### Supplier Elimination

The Company strictly implements the supplier KPI assessment system, categorizing suppliers into four grades (A, B, C, D) based on audit results and scores. Suppliers rated as Grade C are required to rectify issues within a specified period, with business operations suspended. Those rated as Grade D are classified as disqualified suppliers, and cooperation is terminated.

### Supply Chain Sustainability

In accordance with the Supplier Sustainability Management Standards, the Company closely monitors suppliers' ESG performance, incorporating environmental, social, and governance factors into supplier evaluation criteria. During the supplier audit process, the suppliers' safety management system, external certifications, quality, environmental safety, and emergency response capabilities are examined and monitored to ensure they have a complete and reasonable management system. Meanwhile, the Company conducts social responsibility management training for suppliers to enhance their performance in environmental protection and social responsibility, thereby effectively ensuring the stability of the supply chains for Milkyway and its subsidiaries and achieving win-win outcomes with suppliers.

### Responsible Procurement

The Company adheres to the principles of compliant operations, fairness, transparency, integrity, and honesty, strictly prohibits commercial corruption and unfair competition, and requires all suppliers to sign and comply with the Supplier Code of Conduct, which clearly defines core bottom-line requirements.

|                                    |   |
|------------------------------------|---|
| <b>Integrity and Honesty</b>       | During the business cooperation with Milkyway, the suppliers must strictly abide by business ethics, uphold the principles of fairness, justice and transparency in cooperation, and are prohibited from obtaining improper benefits through means such as bribing our employees, giving gifts, providing shopping cards or hosting luxurious banquets, thereby eliminating any unfair competition behaviors. |
| <b>Environmental Protection</b>    | During the operation, we actively protect the environment from pollution by effectively controlling pollutant emissions, thus reducing damage to the environment. In addition, we actively promote energy conservation and emission reduction efforts, thereby reducing greenhouse gas emissions caused by our business activities.   |
| <b>Prohibition of Child Labor</b>  | No employment of child labor under the age of 16 is permitted.  |
| <b>Respect for Employee Rights</b> | Suppliers adhere to the principles of fairness and transparency in the employee recruitment and employment practices. They must not engage in discriminatory behaviors, safeguard employees' freedom to choose employment, refrain from forcing overtime work, provide wages that meet basic living needs, and commit to continuously improving living and wage standards for employees.                      |
| <b>Health and Safety</b>           | We commit to providing employees with a healthy and safe working environment.   |
| <b>Equal Treatment</b>             | The Company commits to strictly complying with contractual agreements with SMEs, treating all business partners equally, and continuously fostering long-term, stable, and sound collaboration.   |

### Metrics and Targets

| Indicator           |                  | Unit | 2025  |
|---------------------|------------------|------|-------|
| Number of Suppliers |                  | Unit | 8,566 |
| By region           | Chinese Mainland | Unit | 7,275 |
|                     | Overseas         | Unit | 1,291 |



# Governance Dimension

## Building on Compliance to Strengthen the Foundation for Steady Operations

Milkyway takes Party building as the guiding principle to refine corporate governance, enhance board diversity and independence, standardize recruitment and remuneration practices, uphold compliance as the bottom line, strengthen risk control and anti-corruption mechanisms, safeguard shareholder rights, establish diversified communication channels, promote Party-business integration and sustainable development, and improve operational efficiency.



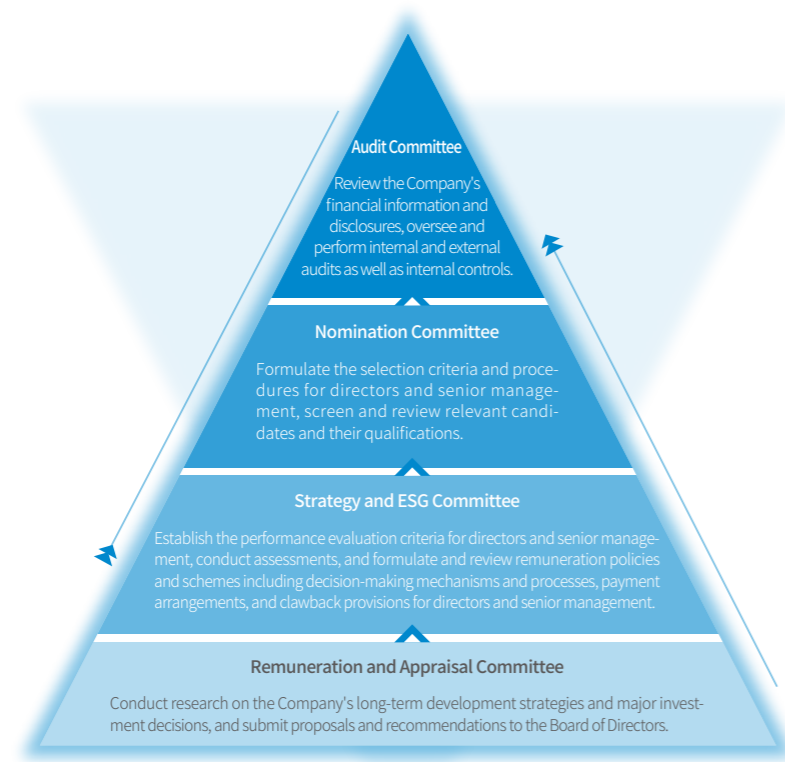


## Governance Optimization: Enhancing Operational Efficiency

Milkyway strictly complies with laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, as well as the regulatory requirements for listed companies. In accordance with the Articles of Association, Milkyway has established a corporate governance structure with clearly defined responsibilities, efficient operations, and effective checks and balances. The Company continuously optimizes governance mechanisms and operational processes to support high-quality and sustainable development through standardized governance.

### Board of Directors and Special Committees

The Board of Directors serves as the Company's decision-making body, responsible for formulating and executing daily operational decisions. The Board of Directors has established four special committees: the Audit Committee, the Nomination Committee, the Strategy and ESG Committee, and the Remuneration and Appraisal Committee. Each committee exercises its authority in accordance with the Articles of Association and the working rules of the respective committees, safeguarding the common interests of the Company and all shareholders. This ensures that standardized board construction promotes high-efficiency corporate governance.



### Board Diversity

The Company prioritizes the development of a diversified board structure. During the reporting period, the Board of Directors consists of five directors, including one female director, accounting for 20% of the Board. The directors possess professional expertise spanning logistics, investment, financial accounting, law, economics, and management. Their complementary skills provide strong support for the Company's decision-making.

### Board Independence

The Company's independent directors maintain full independence in their work, actively participate in board decisions, and diligently review all proposals. During the reporting period, the Company has two independent directors, representing 40% of the Board.

### Board Effectiveness Evaluation

In 2025, the Board of Directors operated in compliance with laws, regulations, and the Articles of Association, diligently implementing resolutions passed by the Shareholders' Meeting. The Company has established the Independent Director Work System, focusing on the performance capabilities of independent directors. Each independent director serves on no more than three domestic listed companies, in full compliance with laws, administrative regulations, CSRC requirements, and stock exchange rules.

### Appointment Management

Directors are elected or replaced at the Shareholders' Meeting, with each term lasting three years and renewable upon expiration. If reelection upon expiration is delayed, incumbent directors continue their duties until successors assume office. The Board of Directors includes one employee director, elected through democratic procedures such as the congress of employees and staff. Directors may concurrently serve as senior management personnel, provided that the total number of directors holding such dual roles and employee directors does not exceed half of the total board membership.

The Company's senior management team consists of the General Manager, Deputy General Managers, Chief Financial Officer, and Board Secretary. The General Manager is appointed or dismissed by the Board of Directors. Deputy General Managers are nominated by the General Manager for appointment or dismissal by the Board. A selection and management mechanism has been established with clear responsibilities and standardized procedures.

### Remuneration Management

The Company has established a sound remuneration management system that balances incentives and constraints. The Remuneration and Appraisal Committee formulates transparent, objective, and fair performance evaluation criteria and assessment procedures for directors, supervisors, and senior management, ensuring that remuneration levels align with responsibilities, risks, and contributions.

The Company has established a remuneration management system for directors and senior management in accordance with the law, effectively safeguarding the legitimate rights and interests of shareholders and employees. If the Board of Directors does not adopt or only partially adopts the recommendations of the Remuneration and Appraisal Committee, the relevant opinions and reasons for non-adoption must be recorded in the resolutions and disclosed as required. The remuneration of senior management is uniformly paid by the Company, not by controlling shareholders, thereby ensuring independent, standardized, and transparent remuneration management.

## Rights Protection: Safeguarding Shareholder Interests

Milkyway consistently integrates the protection of the rights and interests of all shareholders and investors into the core of its operations. By improving institutional systems, establishing diverse communication channels, standardizing information disclosure, and strengthening shareholder rights protection, the Company effectively upholds investors' legitimate rights and interests, fostering a healthy and mutually beneficial investor relations ecosystem.



## Investor Relations Management

The Company places high importance on investor relations management. It has established the Investor Management System to define management standards and procedures, with the Board Secretary and Securities Department serving as the centralized management units. A comprehensive process management system with deep involvement by senior management, horizontal collaboration and vertical coordination has been established to comprehensively promote various activities and daily affairs related to investor relations management, ensuring the orderly and compliant conduct of the work.



## Diversified Communication Channels

To ensure timely and effective communication, the Company has developed a diversified online-offline communication platform, covering telephone conferences, on-site meetings, online video conferences, e-interaction platforms, analyst and investor research sessions. These initiatives establish efficient and smooth communication channels, enabling the timely and accurate dissemination of information related to corporate governance, business development, and other key aspects to investors, and safeguarding their right to be informed.

## Information Disclosure

The Company strictly adheres to the requirements of the Information Disclosure Management System, the Information Disclosure Suspension and Exemption Management System, and the Articles of Association. It has established a robust standardized information disclosure mechanism, upholding the principles of truthfulness, accuracy, completeness, timeliness, and fairness in disclosure. The Company continuously enhances the quality and transparency of information disclosure to effectively safeguard the legitimate rights and interests of investors and all stakeholders.

## Protection of Shareholder Rights

As the highest authority of the Company, the Shareholders' Meeting strictly follows laws and regulations, the Articles of Association, and the Rules of Procedure for Shareholders' Meeting to standardize decision-making processes. This ensures the efficient and orderly operation of the Shareholders' Meeting and guarantees shareholders' lawful rights, including the rights to be informed, participation, and decision-making.

The Company places high importance on shareholder returns. By considering industry trends, its own development plans, and operational realities, it formulates scientific, reasonable, and stable profit distribution plans. The Company maintains the continuity and stability of its profit distribution policies to effectively reward all shareholders, achieving synchronized growth in shareholder interests and corporate development.

To standardize related-party transaction management and protect the interests of the Company and all shareholders, especially minority shareholders, the Company strictly complies with relevant laws and regulations and its Related-Party Transaction Control and Decision-Making System. It fully implements the recusal mechanism for related parties, conducting related-party transactions under the principles of fairness, impartiality, and transparency. The Company safeguards the legitimate rights and interests of the Company and its shareholders by preventing improper benefits transfer and unfair related-party transactions through institutional and procedural measures.

## Compliant Operations: Building a Solid Safety Line

Milkyway adheres to compliant operations as its cornerstone, establishing a comprehensive three-dimensional risk control system that spans decision-making, execution, and supervision. By continuously improving internal control systems, deepening integrity management, and enforcing strict business discipline, the Company effectively mitigates operational risks and fosters a core consensus among all employees that "compliance creates value". This has built a solid foundation for stable business growth and enhanced market credibility.

## Compliance and Internal Control

The Company strictly complies with laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, as well as internal management systems. It continuously strengthens its internal control framework and risk management mechanisms to enhance full-process risk oversight. The Board of Directors has established an Audit Committee to oversee internal audit work. The Company conducts regular internal audits and issues audit reports. Identified issues are managed through a closed-loop process, with rectification and implementation tracked on a 1-2 months cycle to ensure effective internal controls and manageable risks.

Meanwhile, the Company places high importance on fostering a compliance culture among all employees. Through regular legal training and specialized risk management programs, it disseminates compliance requirements and risk prevention knowledge. This continuously enhances employees' risk awareness and compliance capabilities, creating a management environment where "everyone emphasizes compliance and risks are guarded against at all levels".

## Anti-Commercial Bribery and Anti-Corruption

Adhering to the business principle of "conducting oneself with integrity and operating by the rules", the Company complies with laws and regulations such as the Anti-Money Laundering Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, maintains zero tolerance for corrupt practices, and establishes a robust anti-corruption and integrity management system with sound policies, rigorous enforcement, and effective oversight.

## Management Mechanisms

The Company has established and implemented systems such as the Corporate Guidelines and Employee Handbook to define professional ethics and behavioral boundaries for employees, delineating compliance red lines that must not be crossed. The Supervision Department is responsible for enforcing anti-corruption and anti-bribery policies and conducting internal audits, while third-party law firms perform external due diligence, creating a collaborative and fully controlled oversight mechanism. All violations of integrity policies are treated equally and addressed in accordance with regulations, regardless of position or contribution level.

## Integrity Risk Prevention

The Company embeds integrity requirements throughout all business processes, implementing enhanced controls for high-risk positions. In commercial collaborations, contracts explicitly include anti-commercial bribery clauses. Integrity and compliance are integrated into the supplier management system, requiring partners to sign the Integrity Partnership Agreement, with a 100% signing rate during the reporting period. Additionally, employees in high-risk positions are arranged to undergo integrity training and sign the Integrity Commitment, achieving a 100% signing rate during the reporting period, thereby reinforcing integrity responsibilities at the source.

The Company strictly prohibits any form of improper benefits or power rent-seeking, including employees accepting cash, gifts, shopping cards, lavish entertainment, travel, or other undue advantages. It forbids abuse of power for personal gain, fraudulent reimbursement, collusion to harm company interests, and commercial bribery of partners to gain unfair competitive advantages. Once verified, violations result in immediate termination of supplier partnerships and strict disciplinary action against involved employees. Legal liabilities are pursued where applicable.



## | Whistleblowing Mechanism |

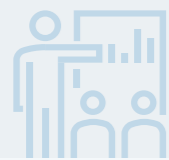
The Company encourages employees and stakeholders to oversee its integrity efforts, report bribery or corruption cases. It formulates an annual inspection plan for 1-2 special inspections each year, integrates these with audit work, and stations personnel on-site to accept real-name evidence-based reports. Upon receiving reports, the Supervision Department conducts compliance investigations in accordance with company policies. Corresponding disciplinary actions are taken based on the severity of the case (active or passive involvement) and the amount involved (significant amount defined as above RMB 5,000). The Company strictly maintains confidentiality of whistleblowers' identities and report contents throughout the process, strictly prohibiting retaliation. Once verified that any whistleblower has suffered retaliation, the Company will severely penalize those involved and take appropriate legal measures to effectively protect the legitimate rights and interests of whistleblowers.

## | Integrity Culture Cultivation |

The Company continues to develop the integrity culture. Through regular activities such as legal regulation seminars, warning education with typical cases, and safety briefings, it strengthens employees' awareness of integrity and self-discipline, reinforcing professional ethics. Integrity education is integrated into scenarios like large-scale meetings, new employee onboarding, and key position training, fostering a strong cultural atmosphere where everyone upholds integrity and every action complies with regulations.

## | Anti-Monopoly and Anti-Unfair Competition

The Company strictly adheres to laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China. It establishes its market presence through quality, service, and reputation, building a fair, just, and transparent competitive order. The Company resolutely opposes monopolistic practices, false advertising, commercial fraud, collusion, and other misconduct, ensuring all business activities are lawful, compliant, and transparent.



In business operations, the Company strictly prohibits market-disrupting behaviors such as false advertising, malicious collusion, price alliances, and commercial espionage. During procurement, it proactively educates suppliers on anti-unfair competition policies, prohibits unfair practices like mutual suppression and price-fixing, and encourages compliant and high-quality competition.



The Company adheres to integrity in operations and transparent collaboration, establishing mutually trusting, fair, transparent, and win-win business relationships with clients, suppliers, and partners. During the reporting period, the Company does not engage in any illegal or non-compliant incidents such as false advertising, commercial fraud, monopolistic practices, or unfair competition, upholding a healthy and sustainable market ecosystem through concrete actions.



## Party Building: Driving Collaborative Development

Milkyway consistently upholds Party building as a guiding principle, deeply integrating Party work into corporate governance, cultural development, and operational growth. The Company continuously strengthens its organizational framework, reinforces ideological leadership, and promotes the fusion of Party initiatives with business operations, leveraging high-quality Party building to consolidate development synergy and empower high-quality corporate growth.

As of the end of the reporting period, the Company has established one general Party branch and five Party branches, with a total of 97 Party members. Five Party committee meetings were held annually. The Party member team, primarily composed of management personnel and key business talents at all levels, fully demonstrates the combat effectiveness of grassroots Party organizations and the exemplary role of Party members, injecting robust political momentum and spiritual energy into the Company's steady development.

|                                   |                                   |
|-----------------------------------|-----------------------------------|
| Number-of-general-Party-branchese | Number-of-Party-branchese         |
| <b>1</b> Branche                  | <b>5</b> Unit                     |
| Number-of-Party-Members           | Convene a Party Committee meeting |
| <b>97</b> Person                  | <b>5</b> time                     |

### Strengthening Ideological Foundations and Cultivating Cultural Soil

Guided by Party building, the Company integrates advanced Party theories with corporate culture, combining the fine tradition of hard work with the corporate spirit of "endless vitality, boundless striving" to foster a positive, united, and progressive cultural atmosphere. The Company has established dedicated sections for Party literature in the headquarters library and employee bookstores across various bases, displaying journals such as "Classic Readings for Party Members" and "Party Branch Life" to strengthen theoretical learning platforms. Regular activities such as Party history education and visits to revolutionary history memorials are conducted to advance the thematic education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. These initiatives guide Party members to uphold their original aspirations, temper their Party spirit, and unite collective efforts through ideological consensus, aligning corporate development with national progress.



### Promoting Integrated Development and Unleashing Organizational Vitality

The Party organization of the Company fully leverages its political core role in "setting the direction, overseeing the broader picture, and ensuring implementation", integrating the Party's policies and advanced concepts into strategic planning, operational management, and key business initiatives to ensure the correct and steady development of the enterprise. It actively explores practical pathways for deep integration of Party building with business operations, widely organizing activities such as Party Member Pioneer Posts and Task Force Teams. These initiatives will motivate Party members to take on challenges and overcome difficulties on the front lines, transforming Party-building strengths into innovation, competitiveness, and developmental advantages.

At the same time, through diverse Party-building activities, the Company continuously enhances employee cohesion, centripetal force, and sense of mission, elevates its social image and internal vitality, and fosters a positive atmosphere of entrepreneurship and united progress, providing strong organizational support and spiritual motivation for the high-quality advancement of all business operations.



# Appendix

## ESG Data and Notes

### Environmental Performance

| Indicator                           |   | Unit  | 2025       |
|-------------------------------------|---|---|------------|
| Water Resource Utilization          | Municipal water usage   | Ton   | 199,734.37 |
|                                     | Total energy consumption  | Ton of standard coal equivalent                   | 26,288.05  |
| Energy Utilization                  | Direct energy consumption   | Ton of standard coal equivalent                   | 22,029.60  |
|                                     | Gasoline consumption  | Ton of standard coal equivalent                   | 9.66       |
|                                     | Diesel consumption  | Ton of standard coal equivalent                   | 22,019.94  |
|                                     | Indirect energy consumption   | Ton of standard coal equivalent                   | 4,258.45   |
|                                     | Purchased electricity   | Ton of standard coal equivalent                   | 2,059.86   |
|                                     | Purchased heat  | Ton of standard coal equivalent                   | 1,797.81   |
|                                     | PV power generation   | Ton of standard coal equivalent                   | 400.78     |
|                                     | Renewable energy consumption  | Ton of standard coal equivalent                   | 400.78     |
|                                     | Proportion of renewable energy consumption                                    | %   | 1.52       |
|                                     | Energy consumption per RMB million revenue                                    | Tonnes of standard coal per RMB million revenue   | 1.97       |
|                                     | Proportion of fully electric forklifts  | %   | 96.33      |
|                                     | Environmental Compliance Management   | Total environmental protection investment         | RMB 10K    |
| Total GHG emissions                 |   | Ton of CO <sub>2</sub> equivalent                 | 196,619.54 |
| Greenhouse Gas Emissions Management | Scope 1 emissions   | Ton of CO <sub>2</sub> equivalent                 | 58,622.31  |
|                                     | Scope 2 emissions   | Ton of CO <sub>2</sub> equivalent                 | 10,226.46  |
|                                     | Scope 3 emissions   | Ton of CO <sub>2</sub> equivalent                 | 127,770.77 |
|                                     | Greenhouse gas emission intensity per RMB million revenue (Scope 1 + Scope 2) | Tonnes of CO <sub>2</sub> per RMB million revenue | 5.16       |
|                                     | Greenhouse gas emission intensity per RMB million revenue (Scope 3)           | Tonnes of CO <sub>2</sub> per RMB million revenue | 9.58       |
|                                     | GHG emission reduction  | Ton of CO <sub>2</sub> equivalent                 | 1,894.68   |

### Social Performance

| Indicator                 |                           | Unit   | 2025  |
|---------------------------|---------------------------|--------|-------|
| Total number of employees | Total number of employees | Person | 3,941 |
|                           | By gender                 | Male   | %     |

| Indicator                          |   | Unit                                       | 2025    |       |
|------------------------------------|---|--|---------|-------|
| Total number of employees          | By gender   | Female                                     | %       | 36    |
|                                    | By age  | Under 30                                   | %       | 14    |
|                                    |   | 30 years old (inclusive) - 40 years old    | %       | 32    |
|                                    |   | 40 years old (inclusive) - 50 years old    | %       | 33    |
|                                    |   | 50 years old and above                     | %       | 21    |
|                                    | By education background                                 | Master's Degree                            | %       | 3     |
|                                    |   | Bachelor's Degree                          | %       | 29    |
|                                    |   | Below Bachelor's Degree                    | %       | 68    |
|                                    | By region   | Chinese Mainland                           | %       | 92    |
|                                    |   | Hong Kong, Macao, and Taiwan regions China | %       | 0.3   |
|                                    |   | Overseas                                   | %       | 7.7   |
|                                    | Labor contract signing rate                             |  | %       | 100   |
|                                    | Proportion of ethnic minority employees                 |  | %       | 1.6   |
|                                    | Proportion of female employees among company management |  | %       | 30    |
|                                    | Employee turnover rate                                  |  | %       | 15    |
| Employee Remuneration and Benefits | Social insurance coverage rate                          |  | %       | 98    |
|                                    | Maternity leave days taken by employees                 |  | Person  | 64    |
|                                    | Return-to-work rate after maternity leave               |  | %       | 95    |
|                                    | Number of employees taking parental leave               |  | Person  | 149   |
|                                    | Return-to-work rate of employees after parental leave   |  | %       | 100   |
|                                    | Per capita paid leave time                              |  | Day     | 10    |
|                                    | Number of training sessions held                        |  | Session | 398   |
|                                    | Number of employees trained                             |  | Person  | 3,536 |
| Total training attendances         |   | Person-time                                | 29,356  |       |
| Employee training coverage rate    |   | %  | 89.72   |       |
| Employee Development and Training  | By gender   | Male                                       | %       | 36    |
|                                    |   | Female                                     | %       | 64    |
|                                    | By management level                                     | Senior management                          | %       | 2.29  |
|                                    |   | Middle management                          | %       | 3.65  |
|                                    |   | Grassroots employees                       | %       | 94.06 |
|                                    | By function   | Production                                 | %       | 80.66 |
|                                    |   | Technology                                 | %       | 3.48  |
|                                    |   | Sales                                      | %       | 5.15  |
|                                    |   | Finance                                    | %       | 2.84  |
|                                    |   | Administration                             | %       | 2.54  |



| Indicator                                     |  | Unit                 | 2025        |           |
|---|--|----------------------|-------------|-----------|
| Employee Development and Training             | By function  | Others               | %           | 5.33      |
|   | Total employee training hours  |                      | Hour        | 47,935.59 |
|   | Per capita training hours  |                      | Hour        | 13.56     |
|   | By gender  | Male                 | Hour        | 11.32     |
|   |  | Female               | Hour        | 15.67     |
|   | By management level  | Senior management    | Hour        | 9.32      |
|   |  | Middle management    | Hour        | 18.67     |
|   |  | Grassroots employees | Hour        | 13.5      |
|   | By function  | Production           | Hour        | 10.8      |
|   |  | Technology           | Hour        | 34.55     |
|   |  | Sales                | Hour        | 14.34     |
|   |  | Finance              | Hour        | 25.28     |
|   |  | Administration       | Hour        | 17.09     |
|   |  | Others               | Hour        | 32.81     |
|   | Employee signing rate of Integrity Commitment (%)                      |                      | %           | 100       |
| Employee Health and Safety                    | Work safety investment   |                      | RMB 10K     | 4,010.43  |
|   | Number of enterprises meeting work safety standardization requirements |                      | Unit        | 14        |
|   | Number of safety education and training sessions                       |                      | Session     | 1,485     |
|   | Total safety education and training hours                              |                      | Hour        | 1,645     |
|   | Safety emergency drill   |                      | Time        | 144       |
|   | Number of participants in safety education and training                |                      | Person-time | 32,074    |
|   | Safety education and training coverage rate                            |                      | Person-time | 99        |
|   | Safety risk prevention training coverage rate                          |                      | %           | 92        |
|   | Employee health check coverage rate                                    |                      | %           | 100       |
|   | Occupational hazard factor detection rate                              |                      | %           | 100       |
| Employee Care and Assistance                  | Certification rate for special operation personnel                     |                      | %           | 100       |
|   | Funds invested in supporting employees in need                         |                      | RMB 10K     | 4.9       |
| Data Security and Customer Privacy Protection | Number of corporate data security protection training sessions         |                      | Time        | 2         |
|   | Data security protection training coverage rate                        |                      | %           | 72        |
|   | Per capita training hours for data security protection                 |                      | Hour        | 4.5       |
| Innovation and R&D                            | Total R&D investment   |                      | RMB 10K     | 7,219.22  |
|   | Proportion of R&D investment to revenue                                |                      | %           | 0.54      |
|   | R&D personnel  |                      | Person      | 137       |
|   | R&D personnel ratio  |                      | %           | 3.48      |

| Indicator                                    |   | Unit                | 2025 |       |
|--|---|---------------------|------|-------|
| Intellectual Property                        | Number of patent applications                         |                     | Item | 19    |
|  | Number of invention patent applications               |                     | Item | 3     |
|  | Cumulative number of authorized patents               |                     | Item | 117   |
|  | Cumulative number of authorized invention patents     |                     | Item | 13    |
|  | Cumulative number of authorized utility model patents |                     | Item | 104   |
|  | Total number of valid patents                         |                     | Item | 104   |
|  | Cumulative number of software copyrights              |                     | Item | 231   |
|  | Supplier Management                                   | Number of Suppliers |      | Unit  |
| By region                                    |   | Chinese Mainland    | Unit | 7,275 |
|  |   | Overseas            | Unit | 1,291 |
| On-site inspections for suppliers            |   | Unit                | 182  |       |
| Cooperation qualification review             |   | Unit                | 47   |       |
| Annual review                                |   | Unit                | 135  |       |
| Supplier signing rate of Integrity Agreement |   | %                   | 100  |       |

## Governance Performance

| Indicator                                     |                                  | Unit                                    | 2025   |      |   |
|---|----------------------------------|---|--------|------|---|
| Party Building Leadership                     | Number of general Party branches |   | Branch | 1    |   |
|   | Number of Party branches         |   | Unit   | 5    |   |
|   | Number of Party Members          |   | Person | 97   |   |
| Directors, Supervisors, and Senior Management | Meeting convening status         | Shareholders' Meeting                   |        | Time | 1 |
|   |                                  | Board of Directors                      |        | Time | 6 |
|   |                                  | Audit Committee                         |        | Time | 4 |
|   |                                  | Nomination Committee                    |        | Time | 0 |
|   |                                  | Remuneration and Appraisal Committee    |        | Time | 1 |
|   |                                  | Strategic Development and ESG Committee |        | Time | 1 |



| Indicator  |   | Unit                                    | 2025           |        |
|--|---|---|----------------|--------|
| Directors, Supervisors, and Senior Management  | Shareholders' Meeting   | Item                                    | 16             |        |
|  | Board of Directors  | Item                                    | 56             |        |
|  | Proposal review status  | Audit Committee                         | Item           | 15     |
|  |   | Nomination Committee                    | Item           | 0      |
|  |   | Remuneration and Appraisal Committee    | Item           | 7      |
|  |   | Strategic Development and ESG Committee | Item           | 2      |
|  |   | Number of board members                 | Person         | 5      |
|  | Proportion of female directors  | %                                       | 20             |        |
|  | Proportion of independent directors                                     | %                                       | 40             |        |
|  | Average attendance rate of supervisory board members                    | %                                       | 100            |        |
| Anti-Commercial Bribery and Anti-Corruption  | Number of anti-commercial bribery and anti-corruption training sessions | Time                                    | 12             |        |
|  | Compliance Management   | Legal and risk prevention training      | Time           | 5      |
| Internal audit   |   | Time                                    | 6              |        |
| Investor Relations Management  | Host investor open exchange meetings                                    | Time                                    | 6              |        |
|  | The Company's regular phone services for investor inquiries             | Time                                    | 73             |        |
|  | Investor interactions through e-interactive platform                    | Time                                    | 22             |        |
|  | Investor inquiry response rate  | %                                       | 100            |        |
|  | Receive a penalty for violating information disclosure regulations      | Time                                    | 0              |        |
|  | Number of periodic reports disclosed                                    | Copy                                    | 4              |        |
|  | Number of interim announcements and attachments issued                  | Copy                                    | 178            |        |
|  | Economic Performance  | Operating revenue                       | RMB100 million | 133.35 |
| Net profit attributable to shareholders of the parent company                            |   | RMB                                     | 626,553,239.91 |        |
| Basic earnings per share   |   | Yuan/share                              | 3.9513         |        |
| Total assets   |   | RMB100 million                          | 207.77         |        |
| Total tax contributions  |   | RMB100 million                          | 4.79           |        |
| Total cash dividends   |   | RMB                                     | 158,127,620.00 |        |
| Share repurchase amount  |   | RMB                                     | 40,805,254.00  |        |
| Total repurchases and cancellations  |   | RMB                                     | 134,299,872.62 |        |
| Undistributed profits in parent company's financial statements at year-end               |   | RMB                                     | 292,145,867.40 |        |
| Total cash dividends distributed for the last three fiscal years                         |   | RMB                                     | 356,232,259.89 |        |
| Total share repurchases and cancellations for the last three fiscal years                |   | RMB                                     | 323,827,009.00 |        |
| Average net profits for the last three fiscal years                                      |   | RMB                                     | 541,015,819.68 |        |
| Total cash dividends and share repurchases/cancellations for the last three fiscal years |   | RMB                                     | 680,059,268.89 |        |
| Cash dividend ratio  | %   | 125.70                                  |                |        |

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## Feedback Form

Dear Readers,

Thanks for reading the Milkyway 2025 Sustainability Report. Should you have any comments or suggestions during your review, please do not hesitate to share them to help us further enhance our sustainability management in the future!

Selective Questions (Please mark "√" in the appropriate box)

1. Your relationship with Milkyway:

- Government   Investor   Employee   Client   Supplier/Contractor  
Partner   Competitor   Community & Public   Media   NGO   Others (Please specify)

2. Your overall evaluation of this report:

- Excellent   Good   Average   Below Average   Poor

3. Do you consider the report structure reasonable?

- Very Reasonable   Reasonable   Average   Somewhat Unreasonable  
Unreasonable

4. To what extent is the information of concern disclosed in the report?

- Comprehensive   Relatively Comprehensive   Partially Covered  
Minimally Covered   Not Covered

5. What other information of concern do you think is not included in the report?

6. Your suggestions for Milkyway Sustainability Report

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