

The role of the AEO system in supporting e-commerce and cross-border trade in the digital age

Cainiao Supply Chain



- **Cainiao Import and Export Business Overview**
- **Cainiao's AEO Advanced Certified Enterprise Qualifications and Current Applications**
- **Industry Responsibilities for AEO Enterprises under New Forms of Cross-Border Trade**

01

Cainiao Import and Export Business Overview

Introducing Cainiao's Scope of Operations in Parcel Handling and Freight & Supply Chain Services

Cross-border Express Delivery

Cainiao provides importers, exporters, brands, and e-commerce platforms in China with integrated and end-to-end cross-border express solutions, including a variety of premium, standard and economy options, tailored to meet different customer demands for timing, expenses, destinations and specific handling requirements. Cainiao's service model is highly flexible and adaptive, capable of meeting the needs of both the marketplace model of e-commerce platforms and the full consignment service model.

Pick-ups



Peak collection: **10 million** parcels per day

Country-of-origin first-mile pick-up, sorting and consolidation.

Packages are collected then allocated and distributed before being transferred to the cross-border linehaul transportation. Parcels may also be sent to consolidation warehouses for **smart consolidation** before entering the sorting centers.

Line-haul transportation



170 weekly chartered flights and BSAs per week

Cross-border line-haul transportation

Cainiao arrange for country-of-origin customs clearance process and provide cross-border line-haul transportation via air, sea, road and rail routes, to deliver goods from different ports to their overseas logistics hub.

International forwarding



Smart customs clearance at **100+** ports

Customs clearance

Cainiao assists in **smart customs clearance** for each package at the country-of-destination. After being customs-cleared, parcels are transported to sorting centers via regional line-haul.



18 overseas sorting centers

Country-of-destination sorting

Cainiao operates a **scheduled and punctual trucks and flights network** to deliver packages and goods to various destination countries.

Overseas terminals



8000+ overseas smart lockers

Last-mile delivery and confirmation

Through a combination of self-operated services and partnerships, Cainiao offers last-mile delivery services, with smart lockers conveniently located in countries like **Spain, France, and Poland**.

Smart logistics technology that covers the entire cross-border logistics chain

International Supply Chain

Utilizing its powerful global end-to-end network, full-chain traceable digital capabilities, high-quality services, and extensive experience in trade logistics, Cainiao International Supply Chain provides global customers with differentiated one-stop global supply chain solutions. Presently, Cainiao International Supply Chain serves the export supply chain from China to the world, and the import supply chain from the world to China.

Bonded Trade



Over **1 million m²** of bonded warehouses
80% of self-operated direct shipping
connected with bonded warehouses

Cainiao provides international brands and importers with one-stop B2B & B2C logistics services for cross-border import e-commerce, including customs and commodity inspection filing before entry of goods, bonded warehousing, order fulfillment operations, and domestic delivery.

Global Freight



Port-to-port and Door-to-door service
in **160+** countries/regions

Cainiao provides small and medium-sized enterprises with cross-border B2B logistics solutions by sea, air, land, and intermodal freight transport. Other services include port-to-port and door-to-door services in many countries /regions. In China, Cainiao is one of the few companies that has a wide coverage of maritime routes.

Overseas Warehouses



40+ overseas warehouses globally
supporting international supply chain

Cainiao provides Chinese exporters with one-stop logistics solutions such as overseas warehouse management, warehouse shipping, local distribution, logistics dispute resolution, and after-sales compensation. Our proximity to overseas consumers allow us to provide faster services and offer guaranteed warehouse services.

Direct Shipping



Full-chain direct shipping services
for cross-border **9610** & personal items

Cainiao provides overseas merchants with warehouse operation services in overseas warehouses while offering local transport services such as doorstep collection and delivery, cross-border 9610 direct shipping import, and full-chain direct shipping service for importing personal items.

02

Cainiao's AEO Advanced Certified Enterprise Qualifications And Current Applications

Introduction to Cainiao AEO Enterprise's Underlying Management Logic



Embrace Regulatory Oversight for Compliant, Win-Win Outcomes

Embrace Regulatory Oversight for Compliant

- Monthly Follow-up on Policy Changes Within the Platform: Internal teams track policy updates on a monthly basis, interpreting and presenting them to the platform and merchants according to business needs.
- Real-time Adjustment of Internal Risk Control Rules and Processes: In response to policy changes, the company promptly revises its internal risk control mechanisms and procedures to guarantee that all operations align with regulatory requirements.

Implementation of Compliance Measures for Shared Success

- Collaborate with the Customs Risk Control Center and local customs risk control and anti-smuggling departments to share risk situations and implement case execution requirements.
- Actively leveraging Cainiao's technological capabilities in the cross-border domain, the company proactively assists in the advancement and extension of customs supervision by employing pre-clearance and post-clearance measures. Through the implementation of Digital Clearance and Smart Terminal Solutions, Cainiao enables local customs authorities to exercise full-chain regulation over packages, from overseas warehouses to the final consumers.



03

Under the New Forms of Cross-Border Trade the Industry Responsibilities of AEO Enterprises

An Introduction to Cainiao's Compliance Accumulation as an AEO Company in the Cross-Border Sector

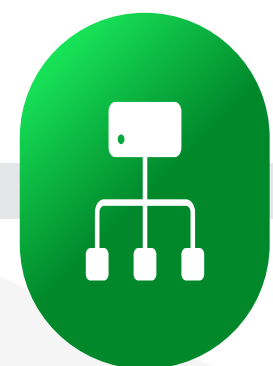
Cainiao's Compliance Accumulation in the Cross-Border Industry



01

Cross-Border Market Entry Filing or Registration—CSC

Based on the 10-digit Hscode used by China customs, Cainiao, under the guidance of Customs authorities, has upgraded to using a 16-digit Hscode for cross-border commodities, assisting merchants in batch processing, rapid, and precise (up to 95% accuracy) completion of product entry clearances and registration.



02

Utilize Standard Product Libraries to Empower the Industry

Drawing on the outcomes of the CSC framework Cainiao applies international standard codes to its everyday production processes, ensuring each product entering the Cainiao ecosystem is assigned a distinct and exclusive identifier. Currently, Cainiao is intensifying its partnership with regulatory bodies and is working to empower the whole industry through its endeavors.



03

Compliance and Risk Management Platform Solution

Under the guidance of China customs risk control departments, Cainiao has, over a period of five years, developed and refined a widely-applied risk control foundational logic. Internally, they have created a comprehensive risk management platform tailored for all scenarios in import and export e-commerce. This platform conducts real-time monitoring of every single order during the routine production process, and has successfully integrated risk control measures into operational production stages



04

Prohibited and Restricted Goods Management Platform

Cainiao's Prohibited and Restricted Shipping Rules encompass comprehensive coverage of 42 regulatory prohibitions and restrictions from various authorities, including customs for imports and exports, aviation management departments, and postal administration bodies. The company has accumulated a repository of 400 million SPU-level forbidden and restricted shipping rules and currently has achieved automated identification and triggering of prohibited and restricted shipment control measures at the package level.

THANKS