

2021 Social Responsibility Report & Environmental, Social and Governance (ESG) Report



Lift



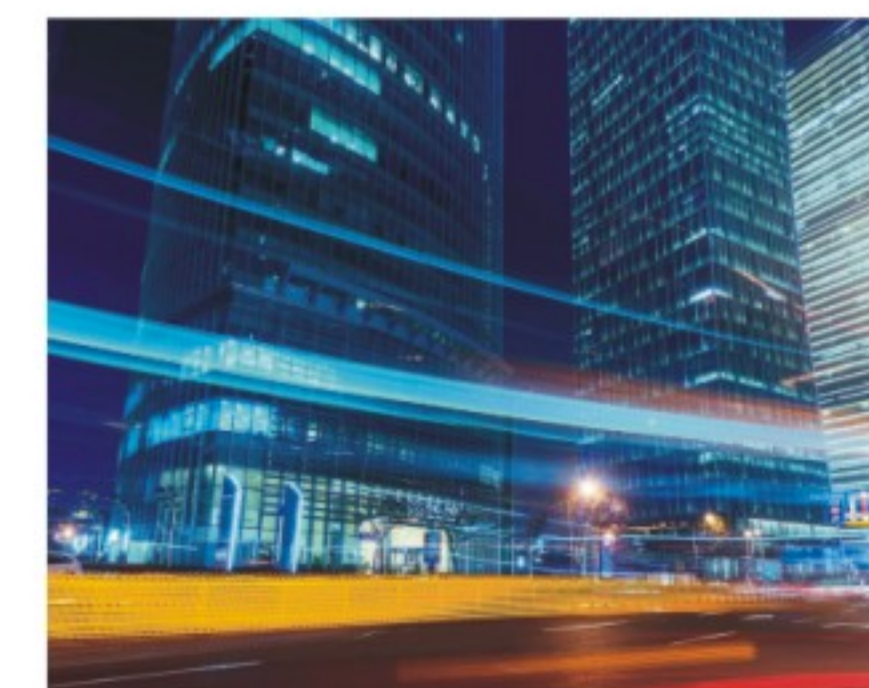
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About This Report

Overview

This is the 14th consecutive year that the Company has published a social responsibility report. Based on the principles of objectivity, standardization, transparency and comprehensiveness, the report aims to accurately reflect on the practice and development of corporate social responsibility of the Company in the year 2021, and mainly elaborates on the practice and achievements of the Company in environmental protection, social responsibility and corporate governance from various perspectives related to social responsibility.

The last report was published on April 20, 2021.

Reporting Scope

Xiamen C&D Inc. is the main entity of this report, including all wholly-owned subsidiaries and holding subsidiary. The Report covers the period from January 1, 2021 to December 31, 2021. Some information may be tracked back or extended as appropriate, taking in account the continuity and comparability of the matters disclosed.

Reporting Title

Unless otherwise stated, Xiamen C&D Inc. is referred to as "C&D", "the Company" or "we". C&D Real Estate Corporation Limited, a subsidiary of the Company, is referred to as "C&D Real Estate". Lianfa Group Limited, a subsidiary of the Company, is referred to as "Lianfa Group" in this report.

Basis of Preparation

This report has been prepared with reference to the "Core option" of the Global Sustainability Standards Board (GSSB) "GRI Sustainability Reporting Standards" (hereinafter referred to as "GRI Standards"), with extensive reference to the "Guidelines on Disclosure of Environmental, Social Responsibility and Corporate Governance Information for Listed Companies" (Draft for Comment) of the Shanghai Stock Exchange and Appendix 27 "Environmental, Social and Governance Reporting Guide" of the Main Board Listing Rules of the Hong Kong Stock Exchange.

Source of Data

The financial data in this report are obtained from C&D's 2021 Annual Report and ones from previous years, all prepared in accordance with PRC accounting standards, etc. Other data is based on year 2021 and includes some data from prior years. The currency of measurement in this report is CNY unless otherwise stated.

Format

This report is published in electronic format and is available on the Shanghai Stock Exchange website (<http://www.sse.com.cn>) and the Company's website (<http://www.chinacnd.com/en>).

Letter from the Chairman

2021 is not only the opening year of the 14th Five-Year Plan of China, the historical intersection of the "two 100 hundred years" goal of China, but also a brand new page of C&D's five-year plan. The corporate mission of "to exploit new value for more people to live a superior life" drives us to move forward on the new journey of sustainable development.

Based on the "dual circulation" pattern, we are taking advantage of our expertise to participate in national development and urban construction. Against the backdrop of supply chain innovation and application rising to the level of national strategy, our supply chain services are available in more than 170 countries and regions worldwide. While empowering the future development of cities, C&D's real estate business is also promoting the preservation and renewal of local culture, creating quality living with history and temperature, and helping the company transform from a real estate developer to a city operator.

We are grasping the opportunity of digital intelligence to create more value with C&D's unique high-quality services. In the new five-year development plan, C&D has clearly put forward the goal of "Technology Empowerment" to strengthen research and application of various digital technologies to enable continuous innovation and upgrading of LIFT supply chain services. In addition, in the real estate business segment, we have introduced quality control covering the whole process from construction to delivery and after-sale, as well as information-based and round-the-clock customer service, actively practicing responsibility in return for trust.

We are adhering to bottom-line thinking, polishing the security undertones of high-quality development. We are using high-level information security management system and all-round security vulnerability scanning to safeguard the company's smart supply chain development. By conducting regular safety risk inspections and improving the intelligence level of safety management, the company is committed to minimizing the possibility of safety production accidents and combining strict safety performance assessment to facilitate closed-loop safety production management.

We are listening to the development demands of each employee and embed harmonious team building into the blueprint of corporate development. Talent development has always been the highest priority for C&D. Recruitment brands such as "Lian Xi Sheng", "Qi Jian Sheng" and "Chuang Jian Sheng" have attracted large batches of young talents for the company. At the same time, the company has further developed a diversified talent development matrix to provide smooth development channels and adequate training support for employees at different levels.

We are committed to the direction of clean development, integrating the concept of green development into the company's strategic planning. With our mature supply chain service system and brand effect, C&D has made every effort to open up the upstream and downstream nodes of clean energy supply chain business. The company has established partnerships with many leading enterprises in the PV industry, collaborating to solve industry pain points, optimize distribution efficiency and contribute to the rapid and healthy development of the PV industry.

We are giving back to the community's livelihood with the fruits of our development, and becoming an enterprise with a sense of responsibility. In 2021, we continue to actively and appropriately respond to the recurrence of the COVID-19 pandemic, providing the community with isolation room renovation and other services that we can support while safeguarding the health and safety of our employees. For the 9th consecutive year, C&D has carried out a friendly cooperation with Xiamen Ding'an Primary School. The company's volunteer team takes practical actions to make children feel confident, develop their horizons and learn to be grateful.

Looking ahead, C&D will continue to deepen the development strategy of "specialization" and "internationalization", further extend upstream and downstream of the industry chain with strong resilience and vitality, create differentiated products, meet multi-level demand, maintain the industry leading position in core advantageous categories, add to the high-quality development of the industry with innovative products and services, and join hands with stakeholders to create a sustainable future.

About Us

Company Overview

C&D Inc. (STOCK CODE: 600153.SH), headquartered in Xiamen, Fujian Province, is a modern service-type enterprise with supply chain operations and real-estate development as its dual main businesses. With businesses starting in 1980, the company was established exclusively by Xiamen C&D Group Co., Ltd. (hereinafter referred to as "C&D Group") and listed at Shanghai Stock Exchange in June 1998.

Since listed, the company has developed rapidly over consecutive years, with its operating revenue, net profit, net assets and other major financial indicators growing rapidly. In 2021 it realized operating revenue of 707.844 billion CNY and after-tax net profit of 10.963 billion CNY. As of the end of 2021, its total asset was 602.459 billion CNY and net asset was 136.918 billion CNY.

The company has been rated as "AAA level credit standing enterprise" and "TOP 500 Enterprises of China (ranking the 24th place in 2021) " over consecutive years; it has been elected into MSCI index system constituent stocks, FTSE Global Equity Index Series constituent stocks, S&P Emerging BMI constituent stocks, CSI 300 Index sample stocks, and SSE Corporate Governance Index sample stocks.

Operating Revenue

¥ 707.844 Billion CNY

After-tax Net Profit

¥ 10.963 Billion CNY

Total Asset

¥ 602.459 Billion CNY

Net Asset

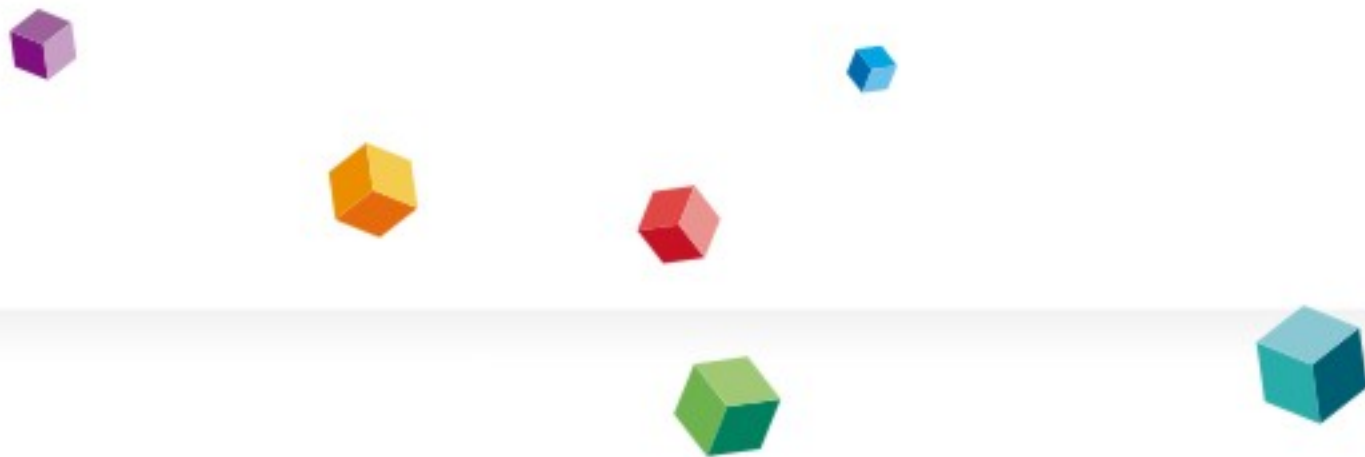
¥ 136.918 Billion CNY

The company has been rated as

AAA Level Credit Standing Enterprise

TOP 500 Enterprises of China

ranking the 24th place in 2021



Business Field

With the mission of "to exploit new value for more people to live a superior life" and the brand core value of "integrating resources and creating added value", C&D Inc. provides customers with supply chain operations services and comprehensive real estate services.



- C&D Inc. is dedicated to adding value to supply chain, pursuing resources sharing and a win-win situation through cooperation. As a supply chain operator, C&D provides customers with LIFT supply chain services, consisting of Logistics, Information, Finance, and Trading. Each of the above-mentioned supply chain operation basic services contains a number of service elements. Based on these service elements, C&D integrate the five resources of logistics, information, finance, commodity, and market for clients, plan supply chain solutions, and provide operation services. The quintessence of LIFT resides in starting from the four classes of basic services in supply chain to n sorts of customization solutions and extending to all industries to give full play to the role and value of supply chain. Around the three core jobs "integration", "planning" and "operation", C&D Inc. delivers from "4" to "n" personalized customization service for customers and exploits potential appreciation opportunities at the links of supply chain operations. The company's supply chain operations services have formed advantages in the steel and iron, pulp and paper, automobile, agricultural products, consumer goods industry, mineral & nonferrous, energy & chemical, mechanical & electronic industry, comprehensive industry and other business areas, and established business relations with more than 170 countries and regions.



- The company's real estate business is mainly operated by two subsidiaries, "C&D Real Estate" and "Lianfa Group", which have experience in developing a full range of businesses, including residential buildings, office buildings, branded hotels, conference venues, large shopping malls and various types of public buildings. The company also covers urban renewal and renovation, property management, commercial management, agency construction and operation, and investment in related industries. The company's real estate business adheres to a deep regional cultivation strategy, mainly laying out in provinces such as Fujian, Zhejiang and Jiangsu, as well as major cities such as Shanghai, Beijing, Wuhan, Changsha, Chengdu and Chongqing.



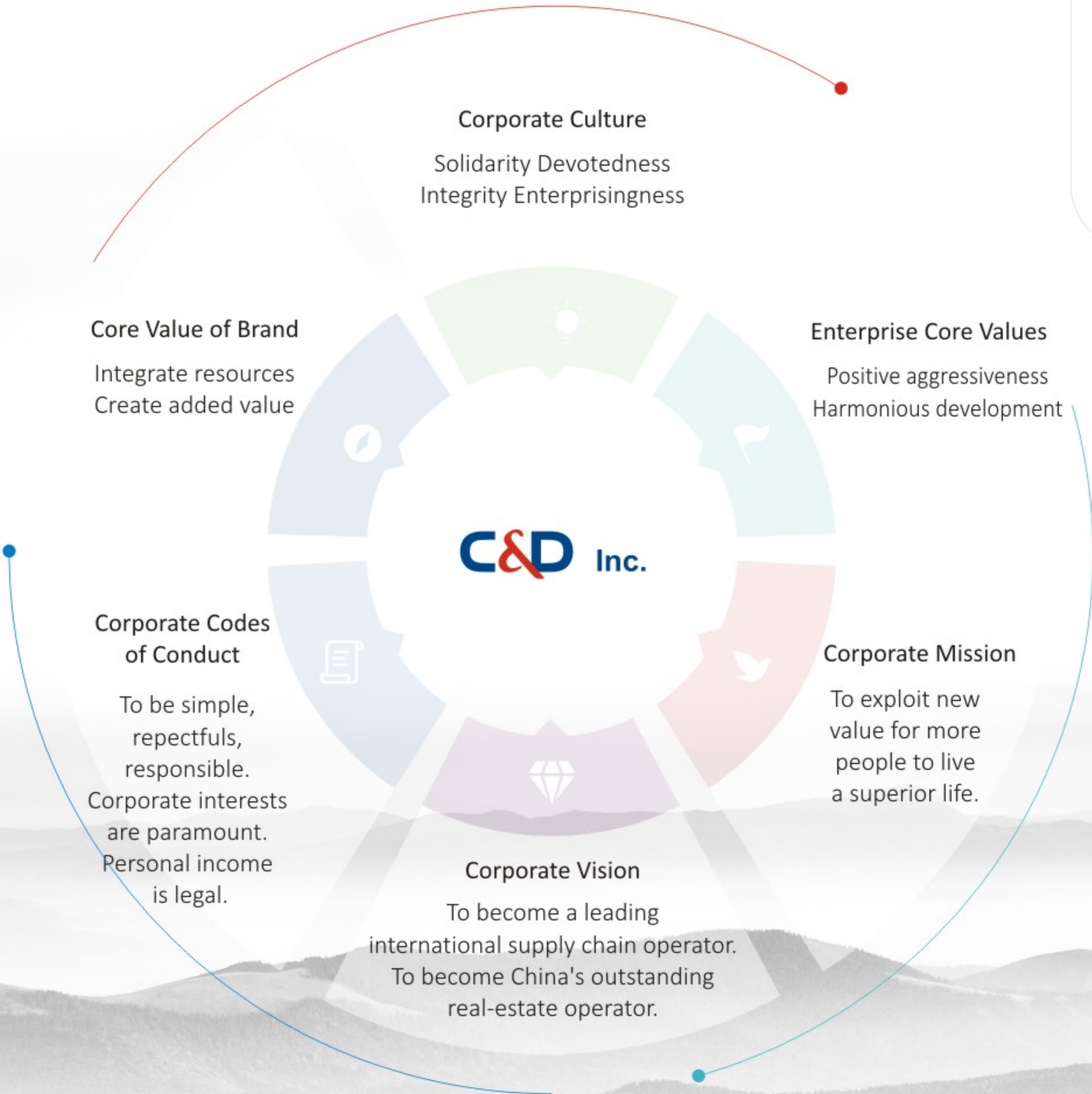
**Integrate resources
Create added value**



**Supply Chain
Operations & Real Estate
Development**

C&D adheres to value-added service concept as the guidance of business model innovation, and is committed to the development of innovation-driven strategy, striving to become the world's leading supply chain operator and an excellent real estate operator in China. The company has always been committed to becoming an outstanding enterprise with employees' love, shareholders' trust, customers' satisfaction and social respect.

Corporate Culture



Lift



Major Honors

Honors	Agency	Receiving Entity
Fortune China 500 No. 24	Fortune Chinese Edition	C&D Inc.
Forbes Global Top 2000 Enterprises No. 619	Forbes Magazine	C&D Inc.
China Business Top 100 No. 73	Warton Economic Institute	C&D Inc.
Constituent Stock of MSCI Index System	MSCI	C&D Inc.
Constituent Stock of FTSE Global Equity Index Series	FTSE	C&D Inc.
Constituent Stock of S&P Emerging BMI	Standard & Poor's	C&D Inc.
Constituent Stock of CSI Smallcap 500 Index	Shanghai and Shenzhen Stock Exchange	C&D Inc.
Constituent Stock of CSI Dividend Index	Shanghai and Shenzhen Stock Exchange	C&D Inc.
Sample Stock of SSE Corporate Governance Index	Shanghai Stock Exchange	C&D Inc.
2021 Corporate Social Responsibility Award	CFS	C&D Inc.
Selected as one of the first "National Supply Chain Innovation and Application Demonstration Enterprises"	MOFCOM China	C&D Inc.
Corporate Governance Special Contribution Award	Directors and Boards	C&D Inc.
Best Disclosure Award	Zhuoyue IR	C&D Inc.

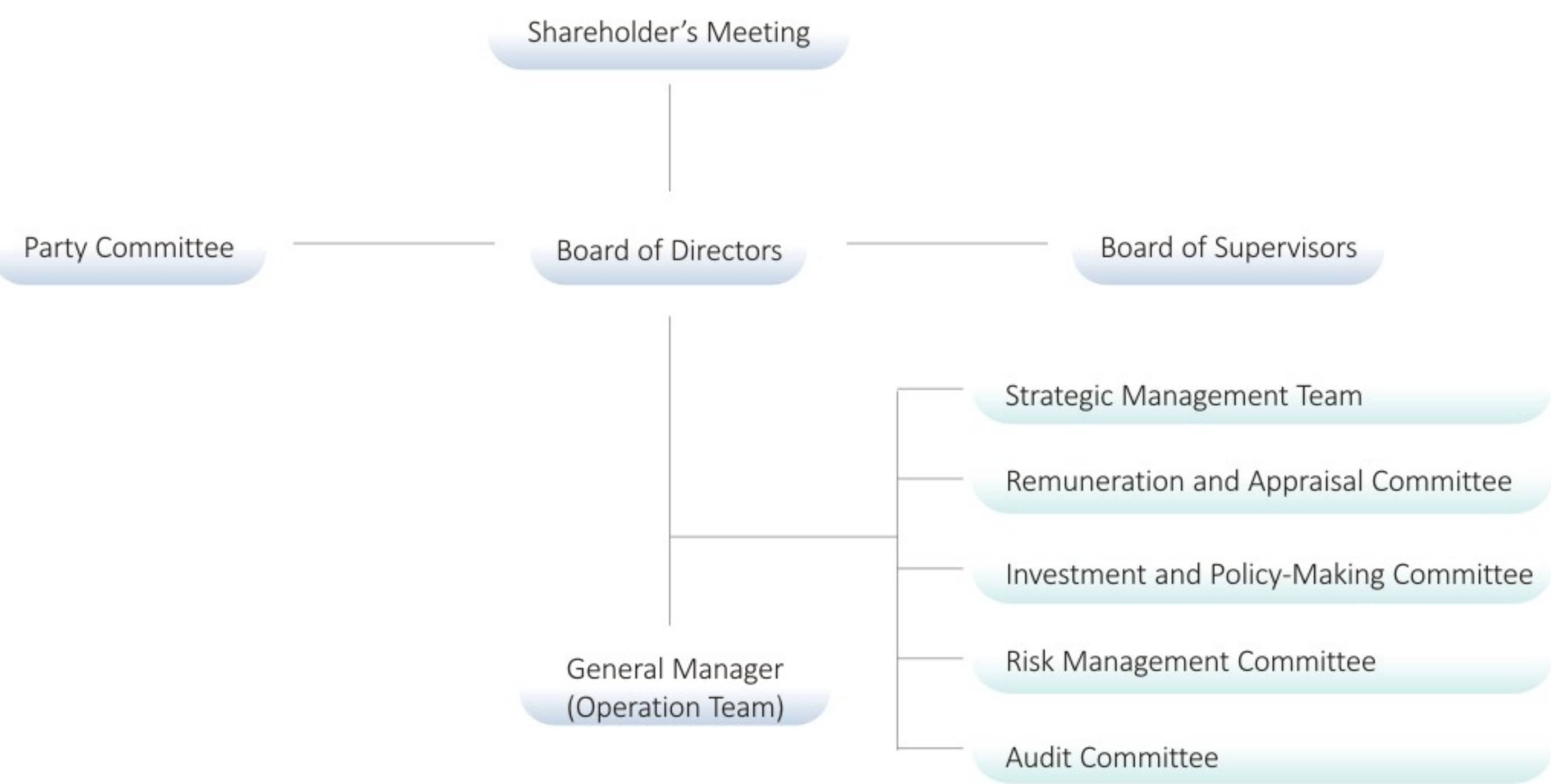


Corporate Governance

Governance Structure

C&D is in strict compliance with the requirements of the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", the "Code of Corporate Governance for Listed Companies" and other relevant laws and regulations, and has improved its corporate governance system, with clear responsibilities and standardized operations among its decision-making bodies, supervisory bodies and management.

The Company has established an internal corporate governance structure consisting of a Shareholders' Meeting, a Board of Directors and a Board of Supervisors, and has subsidiaries in the supply chain business segment, as well as subsidiaries in the real estate segment such as C&D Real Estate and Lianfa Group. Under the Board of Directors, the Company has established the Strategic Management Committee, the Remuneration and Appraisal Committee, the Investment and Policy-Making Committee, the Risk Management Committee and the Audit Committee to steadily improve the corporate governance capability and ensure sound operation of the Company.



Shareholders and General Meetings

To safeguard the legitimate rights and interests of the shareholders of the Company, especially the small and medium-sized shareholders, C&D Inc. convened the shareholders' meeting in accordance with the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", the "Administrative Measures for Disclosure of Information of Listed Companies", the "Rules Governing the Listing of Stocks on the Shanghai Stock Exchange" and other laws and regulations and the relevant provisions of the Articles of Association of the Company to ensure that shareholders can exercise their relevant rights in accordance with the law and participate in the shareholders' meeting in time to vote.

During the reporting period, C&D held 2 general meetings, including 1 annual general meeting and 1 extraordinary general meeting, convened by the board of directors while fully reflecting the will of shareholders. Both annual general meetings were held in an "in person + online" format, and a total of 18 motions were audited. Among them, the annual general meeting reviewed the company's operation to the participating investors both online and offline, and introduced and analysed the company's work results in 2020 in depth.

The Company takes visits and inquiries from shareholders seriously to facilitate their understanding of the Company's operations, and conducts effective communication with shareholders and institutional investors through various channels such as the investor relations column on its official website, investor hotline, investor email and the Shanghai Stock Exchange e-interactive platform. In 2021, the Company was awarded an A grade in the annual information disclosure assessment by the Shanghai Stock Exchange.

Controlling Shareholders and Listed Companies

The controlling shareholder of the Company is C&D Group and its actual controlling shareholder is the State-owned Assets Supervision and Administration Commission of Xiamen Government. During the reporting period, the Company's controlling shareholder and beneficial owner acted in a standardized manner and exercised shareholders' rights through shareholders' meeting in accordance with the law and did not directly interfere with the Company's decision-making and operation beyond the shareholders' meeting. The Company's Board of Directors, Board of Supervisors, and internal functional departments are able to operate independently and ensure that major decisions of the Company are made by the Company's shareholders' meeting and Board of Directors in accordance with the law.

During the reporting period, the ownership and control relationship between the Company and the beneficial owner was as follows:



Director and the Board of Directors

The 8th session of the Board of Directors of C&D consists of 9 members, and the election of the members of the Board was conducted in accordance with the nomination procedures stipulated in the Articles of Association and the "Rules of Procedure of the General Meeting of Shareholders", and was approved by the resolution of the 2018 Annual General Meeting of Shareholders of C&D. The board includes 3 independent directors, accounting for more than 33%, to give full play to the role of checks and balances to protect the interests of shareholders and the Company. The board members are gender-diverse, which include one female director. The board members' specialties cover various fields such as company operation, strategy and investment, finance and accounting, and economy and finance, facilitating the board of directors to safeguard the company's decision-making level with a more comprehensive and integrated perspective and concept.

Position	Name	Gender	Age	Expertise		
				Industry Experience	Risk Management	Financial Experience
Chairman	ZHENG Yongda	M	50	√	√	√
Vice Chairman	HUANG Wenzhou	M	57	√	√	√
Director	WANG Qin	M	58	√	√	√
Director	YE Yanliu	F	49	√	√	√
Director/ General Manager	LIN Mao	M	53	√	√	√
Director/ Vice General Manager	CHEN Dongxu	M	51	√	√	√
Independent Director	DAI Yiyi	M	54	√	√	√
Independent Director	LIN Tao	M	50	√	√	√
Independent Director	CHEN Shoude	M	45	√	√	√

The Board of Directors has five committees, including the Audit Committee, the Remuneration and Appraisal Committee, the Strategic Management Committee, the Risk Management Committee, and the Investment and Policy-Making Committee, all of which are chaired by our directors; the chairman of the Audit Committee is an independent director with professional accounting qualifications. Each committee, in accordance with the provisions of the Articles of Incorporation and the Bylaws, gives full play to its professional advantages in accordance with its duties and authority, and makes professional opinions and recommendations in strategic investment, financial accounting and risk management, so as to provide strong support for the scientific decision-making of the Board of Directors.

Position	Name	Types of Committee				
		Strategic Management Committee	Remuneration and Appraisal Committee	Investment and Policy-Making Committee	Risk Management Committee	Audit Committee
Chairman	ZHENG Yongda	√		√	√	
Vice Chairman	HUANG Wenzhou	√	√	√	√	√
Director	WANG Qin	√		√	√	
Director	YE Yanliu			√	√	
Director / General Manager	LIN Mao	√		√	√	
Director /Vice General Manager	CHEN Dongxu			√	√	
Independent Director	DAI Yiyi		√			
Independent Director	LIN Tao		√			√
Independent Director	CHEN Shoude					√

Supervisors and Board of Supervisors

C&D strictly follows the "Company Law of the People's Republic of China" and other laws and regulations as well as the system of the Company's Articles of Association, and establishes the Board of Supervisors to supervise the daily operation activities of the Company. During the reporting period, C&D's 8th Board of Supervisors was composed of three supervisors, with more than 33% being women. The members of the Supervisory Board include two representatives of shareholders and one representative of employees, ensuring that the Supervisory Board has the ability to communicate extensively with shareholders and employees and can safeguard the rights and interests of all shareholders.

Position	Name	Gender	Age	Expertise			
				Industry Experience	Risk Management	Financial Experience	
Chairman of the Supervisory Board	LIN Fang	F	52	√	√	√	
Supervisors	ZOU Shaorong	M	45	√	√		√
Employee Supervisors	LI Zhi	M	40	√	√		

Anti-Corruption



Conducted special anti-corruption training

266 Sessions

Training throughout the year

155,770 Hours

C&D strictly abides by laws and regulations such as "Law of the People's Republic of China against Unfair Competition", "Interim Provisions on Prohibition of Commercial Bribery" and other accepted business ethics. C&D has set up a law-abiding and monitoring team and an audit department within the company, and formulated anti-corruption systems such as the " '1+X' Special Inspection and Linkage Work System" and the "Certain Provisions on Employee Integrity and Self-discipline". During the reporting period, the Company organized internal anti-corruption risk or related internal audit investigations 9 times.

At the same time, the company's Commission for Disciplinary Inspection, as one of the company's inspection departments, focuses on the functional positioning of "re-monitoring of supervision", inspecting the implementation of the spirit of the eight provisions of the Central Government and conscientiously implementing the "Code of Integrity and Self-discipline of the Communist Party of China", "Regulations on Supervision within the Communist Party of China", and "Opinions on Strengthening the Supervision of Cadres in the New Era Party requirements", such as the Opinions on the Supervision of Discipline Inspection and Supervision Cadres. The Commission developed and revised the "List of Comprehensive Strict Governance of Main Responsibility for Party Committee Team and Members", adhering to deepening the understanding of the laws of comprehensive strict governance of the party, clarifying the responsibility system for improving the party's work style and building clean government, and implementing the supervision and inspection of the integrity of each business unit.

In addition, in the important integrity risk areas related to bidding, C&D has formulated "Bidding Management Regulations" to regulate the bidding management of the company, implement the principle

of honesty and trustworthiness, and require every qualified bidder to sign the "Honesty and Law Abiding Commitment", in which those who do not sign the commitment are not allowed to participate in bidding or undertake projects. On New Year's Day, Spring Festival, Mid-Autumn Festival, National Day and other important legal holidays, C&D's Party Committee and Commission for Discipline Inspection issued special documents to subsidiaries at all levels to clarify disciplinary requirements, and continued the work of implementing the spirit of the eight central provisions and correcting the "four winds" of supervision and inspection, so as to create a clean and upright holiday atmosphere.

According to the relevant provisions of the "Rules for Handling Prosecution and Complaint by Discipline Inspection and Supervision Organs", C&D has established a smooth and convenient complaint and reporting channel. The company allows anonymous reporting, encourages real-name reporting, and rewards whistle-blowers and accusers whose reports and accusations are verified to be true and play an important role in breaking through major cases, or saving significant economic losses for the state and the collective. In addition, the company strictly abides by the "Regulations of the Central Commission for Discipline Inspection and Supervision on the Protection of Whistle-blowers and Accusers" and maintains strict secrecy on anti-corruption whistleblowing and accusations and the investigation and handling of whistleblowing and accusation cases.

In order to better promote anti-corruption and integrity work, C&D adopts the forms of visiting cultural exhibitions and organizing special training to actively carry out various types of anti-corruption and party-style training and education to further strengthen employees' awareness of integrity, enhance their sensitivity to fraud issues, and help them discover and identify fraud incidents in daily life.



Cultural Exhibition Visits

- Visited "Learn Party History, Spread Integrity" Party History Learning Education Integrity Culture Exhibition, where a total of more than 160 party members participated in the visit.

Integrity Education Film Screening

- Organized the viewing of "Prey: The Bribe Giver Speaks" and other integrity-focused government educational films to sound the alarm against corruption and establish a sense of integrity.
- A total of 41 sessions were organized, with a total of 917 participants.

The "Clean C&D" Column

- Opened a "Clean C&D" column on C&D's enterprise WeChat that released publicity reports, focusing on the strict prohibition of alcohol driving and other disciplinary requirements.

Pre-appointment Integrity Education

- Carried out pre-appointment integrity education for cadres and organized pre-appointment integrity tests to further improve the awareness of party members and leading cadres of integrity and self-discipline.
- Carried out pre-appointment integrity conversation 70 times.

Integrity Lectures

- Held a special lecture on integrity and self-discipline for management cadres, where 96 middle-level cadres attended.

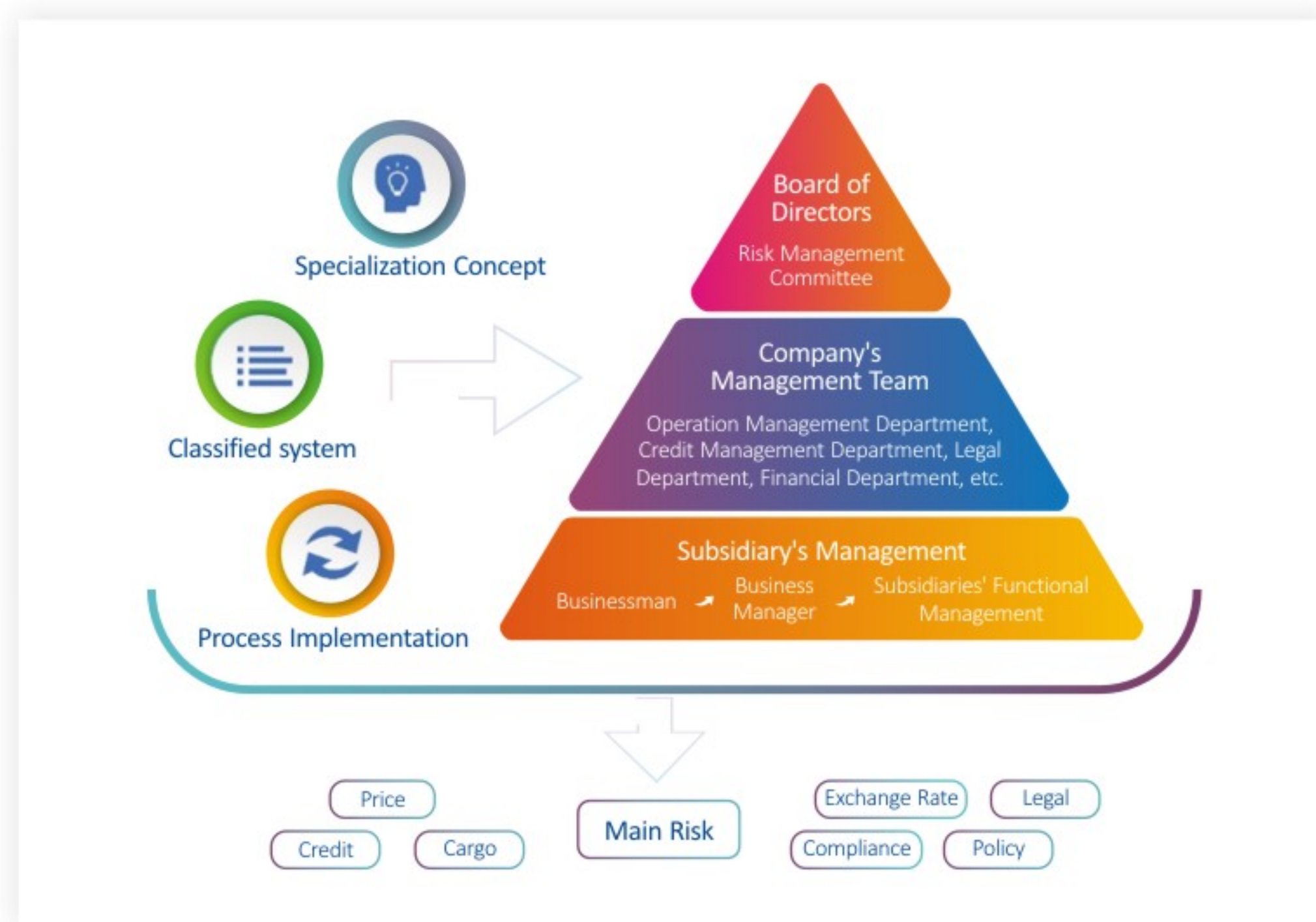
Anti-Corruption Training

- Conducted special anti-corruption training , with a total of 266 sessions and 155,770 hours of training throughout the year.

Compliance Operations

C&D insists on integrity, abides by law-abiding belief and compliance in the process of building excellent goodwill, and continuously strengthens our system construction. The Company has formulated the "Regulations on Management of Employee Integrity" and required all employees to strictly comply with them, so as to comprehensively improve the ability to govern the company according to the law. At the same time, the Company has strengthened its internal control system, clarified the internal control process, operation, supervision and evaluation, and improved the management specification and working mechanism of internal control self-assessment in order to reduce various risks and guarantee the compliance operation of the enterprise. In terms of internal control and risk control governance system, the company adopts a three-tier risk management structure, which takes into account flexibility, moderation and efficiency while preventing risks.

- Level 1: The risk control committee under the board of directors performs risk control responsibilities.
- Level 2: Risk control responsibilities are performed by the company's management team and several functional management departments at headquarters. In 2021, C&D established a new position of risk control director, who is responsible for the overall management of risk control-related work.
- Level 3: Risk control responsibilities are performed by the subsidiary's management and relevant functional departments, the actual implementation of the company's internal control system, and the supervision of the progress of internal control and risk control work.



In terms of risk control implementation, the company has formulated and continuously improved a series of systems such as "Supply Chain Business Operation Management Regulations", "Supply Chain Business Process Management Regulations", "Logistics Management Regulations", "Credit Management Regulations and Futures Business Management Regulations" to continuously strengthen and optimize the company's process control and key risk point control.

In 2021, C&D revised the "Internal Control Management Manual" in a timely manner according to the changes in risk control methods in various business segments of the company, forming a more standardized management system in the whole operation process such as futures management, bank account management and credit management to ensure legal compliance in corporate operation and management and improve operational efficiency.



Sustainability Management

As a holding subsidiary of C&D Group, a wholly state-owned company and a listed company, while being responsible to shareholders, C&D also pays attention to the social responsibility of being a state-owned enterprise. In order to achieve the mission of "to exploit new value for more people to live a superior life", we insist on incorporating ESG management and sustainable development concept into all aspects of management and promote the fulfilment of social responsibility in all employees, the whole process and all aspects. While establishing and improving the sustainable development structure and optimizing the effectiveness of sustainable development management, the company is actively improving the content and quality of sustainable development information disclosure.

C&D has established a Sustainable Development Working Group, which includes senior management and managers from all relevant functional departments. The establishment of the working group has laid the foundation of the organizational structure for the company's sustainable development actions and will further meet the communication needs of shareholders, investors, customers and other stakeholders. In addition, C&D's sustainable development management network will be further expanded at the business level to achieve a deeper integration with corporate operations.

Stakeholder Engagement

C&D attaches great importance to the communication with stakeholders and maintains close contact and interaction with them. We actively listen to the opinions and suggestions of stakeholders and take measures to respond reasonably to their concerns. During the reporting period, C&D did not receive any objections from stakeholders to C&D's business activities.

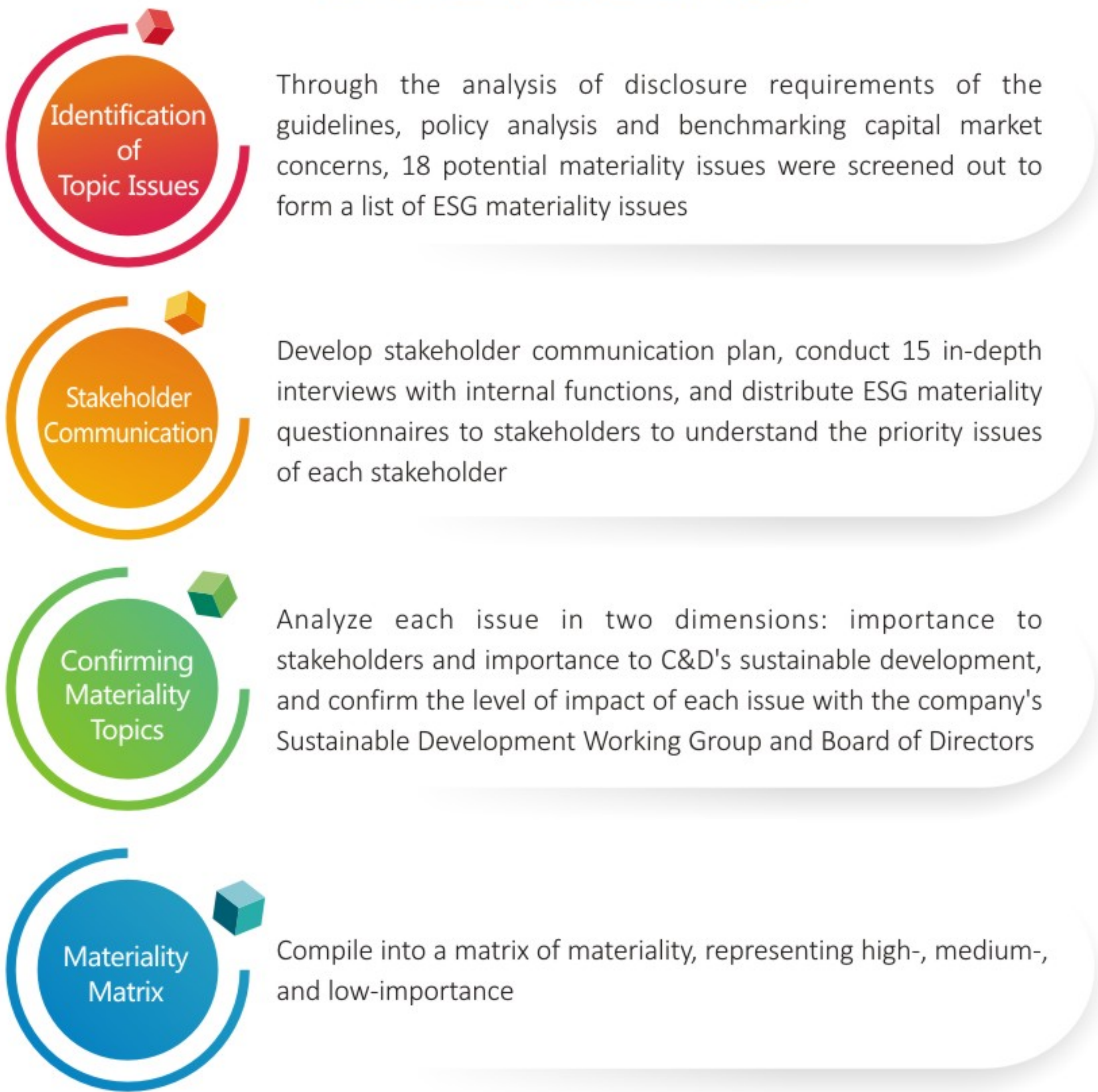


Stakeholders	Expectation and Demands	Communications and Response
 Consumers	Customer Service Quality Product Quality Customer Information Security Customer Rights Protection	Customized "LIFT Supply Chain Services" Practice the "Diamond" brand concept Guarantee service stability and security Improve the system related to customer data confidentiality Compliant marketing, establish convenient supply chain operation network
 Employee	Career Development Platform Compensation and Benefits Healthy and safe working environment Listening to employees' voices	Established career promotion mechanism Competitive salary and welfare guarantee Implementation of health and safety management system Equal communication and grievance mechanism
 Shareholder & Investor	Return on Investment Protection of rights and interests Corporate Transparency	Improve profitability Maintain cash dividend policy Hold shareholders' meetings Regular information disclosure Optimize internal control and risk management
 Supplier & Partner	Cooperation with Integrity Information Sharing Win-Win Cooperation Business Ethics and Reputation	Establish supplier management system Promote regular communication Carry out project cooperation Fulfilment of contracts in accordance with the law, supplier evaluation
 Government & Regulators	Compliance operation Respond to the national call Support local development	Pay taxes in full and on time, anti-corruption management Actively implement relevant policies Proactively undertake social responsibility
 Society & the Public	Support social welfare Protect the environment	Commitment to charity Adhering to green operation Promoting social progress Share the fruits of development

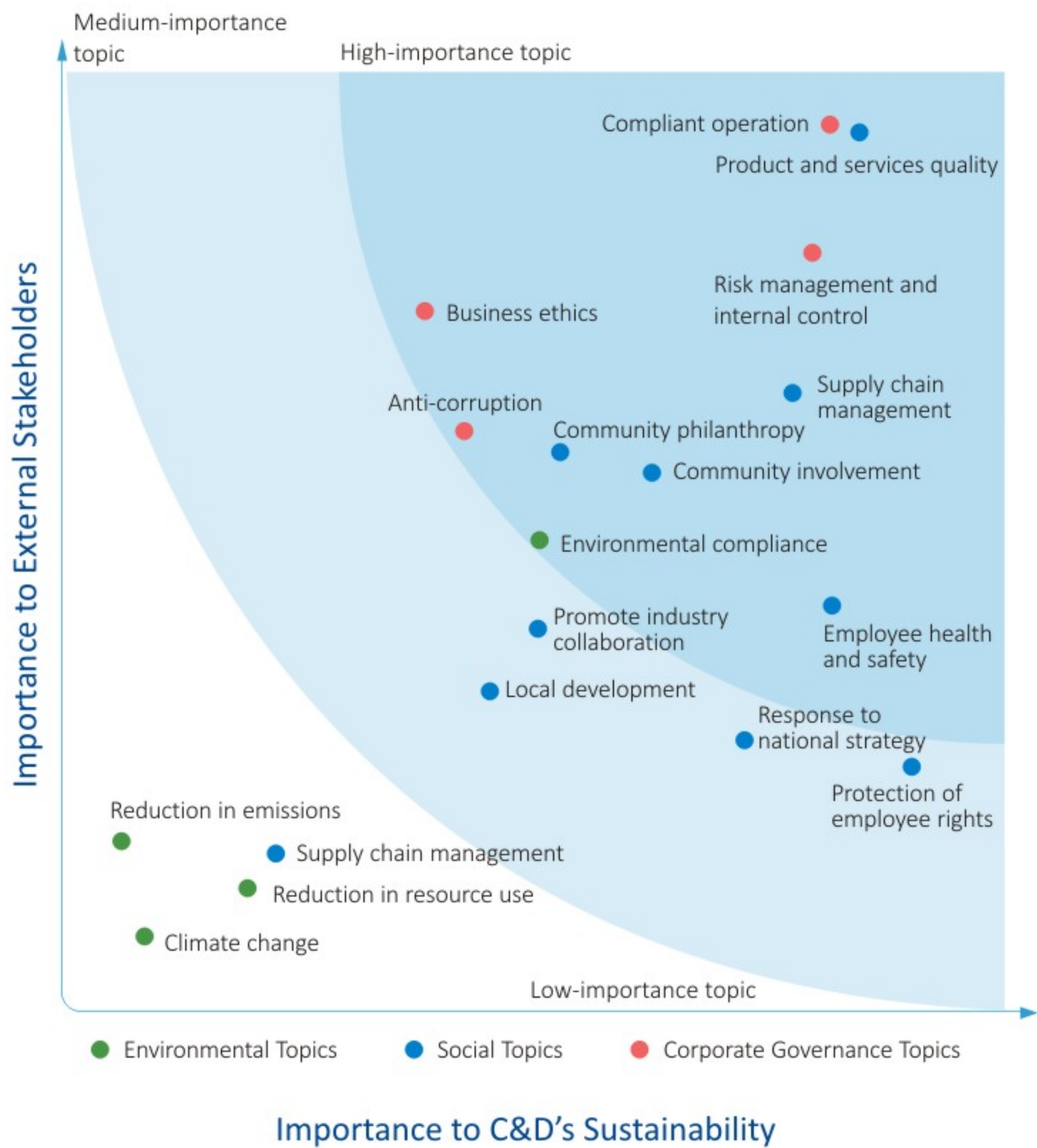
Materiality Assessment

During the reporting period, in order to better identify ESG materiality issues, we comprehensively sorted out the issues of importance to the company's sustainable development, and combined with the feedback from internal and external stakeholder research, we identified a total of 18 issues relevant to C&D. Among them, 10 issues are of high importance, 4 issues are of medium importance and 4 issues are of low importance. In this report, we have disclosed the high importance issues in detail as the focus section.

C&D Materiality Assessment Process



C&D Materiality Matrix



Practice Earnestly, Move Ahead with Time

- Supporting National Development
- Contributing to Local Development
- Promoting Industry Growth



Supporting National Development

C&D is actively responding to the strategic requirements of the State to speed up the construction of "a new development pattern with domestic circulation as the main body and domestic and international circulation promoting each other" and the "Outline of the Fourteenth Five-Year Plan of National Economic and Social Development of the People's Republic of China and Vision 2035". Through improving our own supply chain modernization level, adhering to the principle of "do business together, build together, and share together", and relying on our own supply chain advantages, we are driving the growth of goods trade and investment in countries along the route and helping China become an important center of global supply chain innovation and application.

Connecting the World

Adhering to the concept of "becoming a leading international supply chain operator", the company has deeply integrated its corporate vision with national initiatives, actively laid out a global resource procurement and sales network, and built a global supply chain service system, with supply chain services radiating to more than 170 countries and regions worldwide. In the last six years, the company has signed cooperation with more than 110,000 domestic and foreign suppliers and customers, including nearly 20,000 suppliers and customers outside of China, and has a good brand influence in the business fields of pulp and paper, agricultural products, steel, minerals, light textiles, automobiles and liquor.

Supply chain services in more than

170

countries and regions worldwide

Cooperation with more than

110,000 domestic

and foreign suppliers and customers in the last six years

About

20,000

overseas suppliers and customers

Deepening Collaboration

C&D has deepened its "going global" strategy, accelerated its international layout by expanding cooperation with global customers, and introduced new products, technologies and services. In addition, the company is also committed to helping more Chinese quality brands and manufacturers "go global", promoting the dual domestic and international circulation, and making every effort to build a highland of quality consumption.

Debuting at the first Consumer Goods Expo, joining hands with famous brands to create a shared and win-win consumer goods industry ecosystem

By tapping the potential of the domestic market and giving full play to the advantages of industrial chain resources and supply chain service capabilities, C&D provides customized "LIFT supply chain services" to customers upstream and downstream of the consumer goods industry chain, helping global high-quality consumer products enter the domestic market efficiently, helping to upgrade consumption and serving the national "double circulation" development strategy.



C&D joins hands with more than 10 famous consumer brands from home and abroad to participate in the first China International Consumer Goods Expo 2021, and enjoys a "consumer feast" with consumer goods industry chain partners and consumers. With the core concept of "Global Boutique", the company brought together its own brands such as SUI XING, INFO Coffee and Plum Village, as well as international brands such as Danone, Moet Hennessy, Oran China, MCNULTY Coffee and Nepean River Milk, and join hands with three major Japanese general trading companies - Marubeni Corporation, Sumitomo Corporation, and Sanso Corporation - to showcase a variety of high-end consumer products representing Japanese quality to domestic consumers.

During this year's Consumer Goods Expo, C&D's booth received nearly 8,000 visitors and more than 160 large buyers, and some of the exhibited products received special reports from CCTV, which deepened the friendly cooperation and close contact between the company and the government, peer enterprises and customers.

C&D's booth received nearly

8,000 Visitors

more than

160 Large buyers

Contributing to Local Development

C&D has long been actively promoting local socio-economic development by helping urban infrastructure construction, participating in urban renewal and transformation, integrating multiple resources, jointly building a competitive industrial ecology, driving tax revenue and social economy construction, and empowering urban development.

Promoting Urban Transformation and Protect Cultural Relics

C&D Real Estate is committed to become "Craftsman of New Chinese Lifestyle", proposing a new brand concept to "Build, Understand, Discover and Deliver Oriental Beauty" and creating two types of new Chinese products, "Royal Chinese Style" and "Chinese Zen Style", through the craftsmanship concept of "Confucian Gate, Tao Garden, Tang Style and Chinese Pattern" and the craftsmanship process of "Gold, Wood, Water, Fire and Earth". Lianfa Group refined three product lines based on the spirit of human-culture ideology, namely "Yue Series", "Zhen Series" and "Jiahe Series", which are focused on progressive quality humanistic communities, to build modern humanistic living and form core brand competitiveness.

With 16 years of experience in urban renewal, C&D Real Estate has accumulated rich experience in the transformation of old villages and old cities, and has expanded its business to infrastructure construction, public facilities construction, urban operation and other fields, and successfully developed a set of "C&D model" for urban renewal. By establishing a full-cycle service and business chain development model, C&D Real Estate actively contributes to the transformation of old urban areas, continues to promote the well-being of people's livelihood, and provides local residents with tailor-made liveable homes through every aspect of pre-planning, project planning, land acquisition and relocation, public facilities, development and construction, investment and operation, and property management.

Old City Renovation

In April 2021, the Xue Ling Old Village Renovation Project in Xiamen, Fujian Province, which is under the responsibility of C&D Real Estate, was successfully completed and officially started to hand over the houses. In accordance with the requirements of a beautiful environment, first-class quality, well-established facilities and public satisfaction, the project provides 918 sets of housing for the resettlement households in the area, improves the outlook and living environment of the local community, and helps to build a new modern community with high-quality living environment and complete service packages. C&D real estate actively responds to the "four high" standards of Huli District Government, which insists on high level positioning, high starting point planning, high standard construction and high level management, and works in accordance with the requirement of "scheduling ahead, construction schedule ahead" to build the housing project with great care, so that the once "dirty and messy" will never return.

Contributing to Urban Construction and Ensure Material Supply

C&D gives full play to its LIFT supply chain service advantage to actively meet the material demand of various large-scale projects. During the construction of Xiong'an K1 Expressway (Phase I), an important transit infrastructure project in Xiong'an New Area, Shanghai C&D Materials Co. (a member company of C&D), as the steel supply unit of the project, adhered to the service concept and goal of "value-added supply chain" and actively integrated resources and relied on its rich experience in steel supply chain operation services; under the strict standards of quality, safety, efficiency and cost, the company has supplied 40,000 tons of steel in just 5 months to ensure the supply of road construction materials. The company penetrated deeply into the production and construction process, combined the long-accumulated steel supply chain operation big data, assisted in the customer design dynamic inventory management mode, adjusted the goods outbound and transportation plan in real time according to the project construction progress, monitored the regional inventory status, allocated in advance across regions, provided stable raw material supply, and strongly guaranteed the completion of the project as scheduled.



The Xue Ling Old Village Renovation Project

Promoting Industry Growth

C&D always grows together with our partners and creates a good, fair and transparent cooperation relationship by continuously strengthening the sustainable capacity building of suppliers and distributors, creating a benign development environment with its partners and realizing the integration and development of multiple parties for mutual benefit. At the same time, the company actively supports the development of the industry. As a national supply chain innovation and application pilot enterprise, the company cooperates with upstream and downstream of the supply chain through resource sharing to achieve common innovation and development.

Building a Responsible Supply Chain

C&D's subordinate enterprises have formulated management measures such as "Supplier Management Measures", "Safety Production Responsibility" and "Bidding Documents of Joint Stock Company" in line with the business characteristics of each segment, and are committed to putting forward higher requirements for sustainability on the basis of sound basic access requirements for suppliers to help build a responsible ecology.

When selecting suppliers, the company will retrieve their credit reports, audit reports and financial statements, verify whether the suppliers comply with the national/industry white list on the basis of registered capital, shareholders' background, assets, profitability and number of employees. And we will conduct a comprehensive analysis and assessment of the suppliers' performance capability by combining information on capacity scale, cooperation history, industry status, sales channels and corporate public opinion.

In addition, the company regularly conducts strict audits and evaluations of suppliers' qualifications, environmental performance, service capability, quality and safety measures input, and engineering materials input by means of performance evaluation and third-party testing. For suppliers who fail in the audit and evaluation or have major safety and quality accidents, the company will remove them from the supplier pool and will not allow them to re-enter the pool within two years.

Diving Deep into the Industry and Lead Its Development

C&D actively carries out industry chain cooperation, explores in depth the potential of industry development by conducting industry seminars and holding special lectures, realizes the sharing of industry chain resources, and leads the industry to common development and win-win cooperation.

C&D Logistics Hosts Seminar on Zirconium and Titanium Industry Chain



C&D Logistics, a wholly-owned subsidiary of C&D, held a closed-door seminar on "Zirconium and Titanium Industry Chain Analysis" in Xiamen during the reporting period. The seminar not only invited representatives from leading companies in the zirconium and titanium industry chain, such as Iluka Resources, Meike (Guangzhou), Jiuxing Titanium Materials, and Longmang Baili Lian, but also attracted senior experts and scholars from universities, research institutions and professional media, such as Jiangxi University of Technology and CNFEOL. Through this seminar, C&D Logistics actively promoted the innovative and integrated development of supply chain operation services and zirconium and titanium industry chain, which played a positive role in the supply chain transformation and upgrading of zirconium and titanium industry chain. Meanwhile, C&D Logistics will take this opportunity to deeply integrate resources, promote business model innovation, empower the transformation and upgrading of zirconium and titanium industry chain, and create value-added for the upstream and downstream partners of zirconium and titanium industry chain.

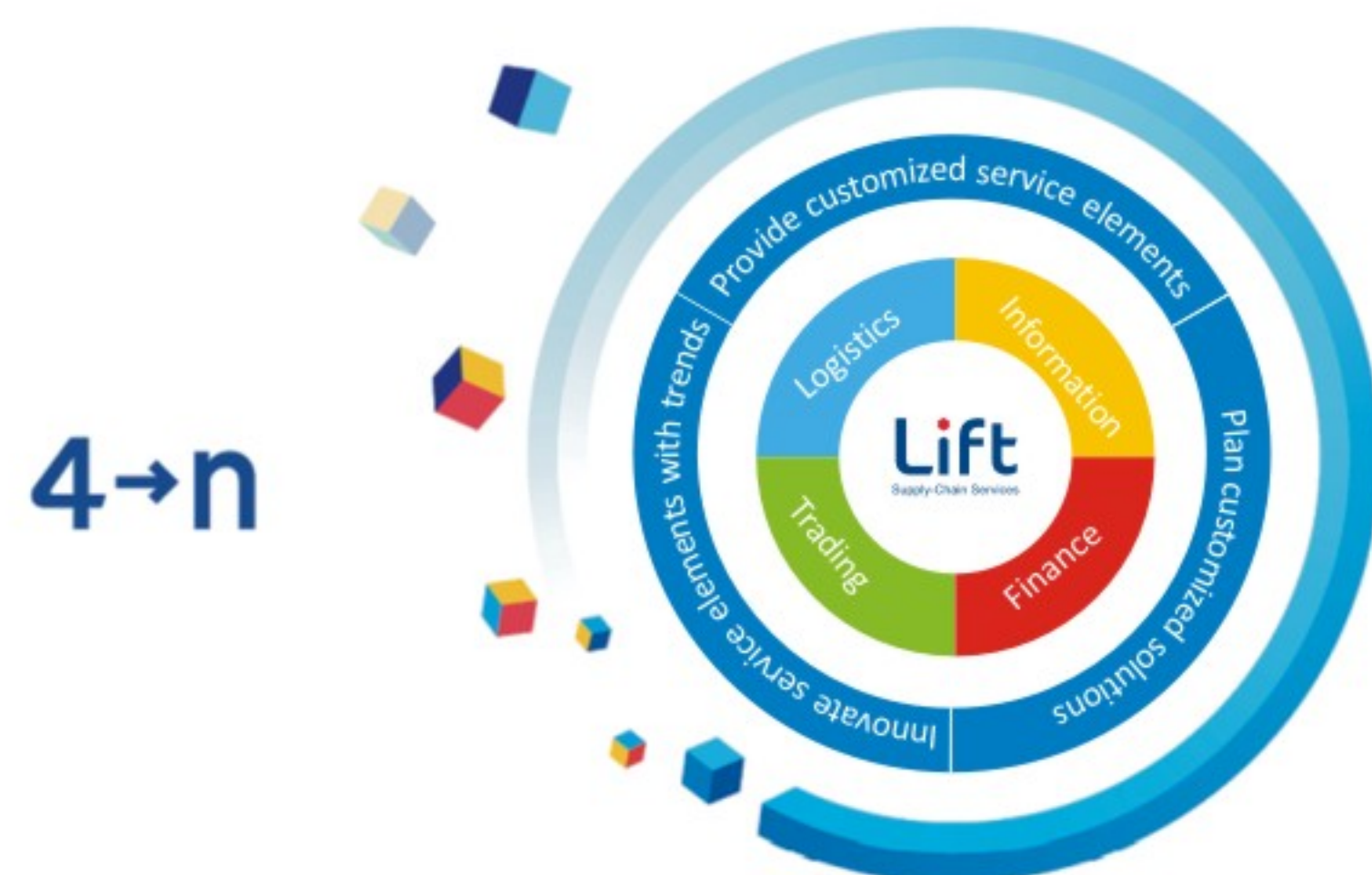
Build Momentum and Improve Quality, Create Excellent Value

- Smart Supply Chain
- High Quality Product
- High Quality Service



Smart Supply Chain

The company has been committed to the construction of supply chain service platform for a long time, creating the domestic leading "LIFT" supply chain service system and expanding the supply chain service to the whole process of our partners' business, while using the Internet of Things and Internet technology to promote the integration and sharing of global product information resources and partner resources. Starting from the 4 basic supply chain services, the company enters into the value chain of customers, integrates the five resources of logistics, information, finance, commodities and market for customers, and provides customized from "4" to "n" solutions to customer needs, which promotes the positive circulation of capital, resources and services and continuously explores the potential value-added in the supply chain operation.



Building a Supply Chain Service System with Digital Intelligence and Multiple Application Scenarios

In the era of big data, data itself has become a factor of production, and grasping the trend and realizing more efficient business scenarios and ecosystem are included in the company's strategic consideration and exploration. C&D is continuously accelerating the digitalization layout and building a digital intelligence and multi-application scenario supply chain service system with C&D's characteristics, to empower the company's business expansion and construct a smart supply chain ecosystem. In terms of online business process, the company has launched "E Sign" electronic contracting platform, "E Patrol" remote inventory management platform, and "Point Price APP" online futures point price to promote efficient online, digitalized and visualized business. In terms of online data, the company has already realized the connection of internal business data. We continue to access upstream and downstream customers, logistics, warehousing, capital, credit and other data, and strive to build an integrated big data ecology of industrial linkage.

At present, the company has already realized the connection between futures, banking, industrial and commercial data and enterprises, and is gradually promoting the digitization and integration of supply chain transactions and customer data. Through online business processes and data, the company's supply chain service system can effectively access industry information, commodity indices, enterprise credit and other data according to the characteristics and needs of different industries, and carry out process design according to the business models of different types. The company has launched "Paper Source Web" and "Pulp and Paper Easy Transact" B2B online trading integrated service platforms in the pulp and paper industry, "C&D Cloud Steel" digitalized collaborative platform for the steel industry chain in the steel industry, and "E Contract", a consumer goods supply chain service platform, to provide more efficient and comprehensive services for customers in different industries. Relying on the initially formed digital intelligence ecosystem, the company is able to make full use of the data of each link for data development and analysis, providing strong support for the company's business decisions.

Protecting Intellectual Property

C&D attaches great importance to the protection of intellectual property rights, strictly abiding by the laws and regulations of the People's Republic of China, such as the "Patent Law of the People's Republic of China", the "Trademark Law of the People's Republic of China" and the "Copyright Law of the People's Republic of China". The company has established rules and regulations for brand management and clarified the responsibilities of employees at all levels in protecting the company's intellectual property rights. At the level of internal governance, the company has established a patent organization structure, and the company's legal department and brand department are responsible for the management and maintenance of the company's intellectual property rights, such as trademarks, commercial housing project promotion names and brands.

In addition, the company also pays attention to the protection of third-party intellectual property rights. In the operation of various media, we need to clarify the copyright ownership of the materials, never use materials without copyright or with unknown ownership, and clearly stipulate that we cannot use the intellectual property rights of others without their permission, forming a good atmosphere of paying attention to intellectual property management, respecting the intellectual property achievements of inventors, and encouraging the creation of intellectual property rights. When signing relevant contract documents with our partners, we also introduce the clauses of intellectual property responsibility and protection to protect both parties from intellectual property infringement.

During the reporting period, C&D's intellectual property rights were as follows:

	Patents	Trademarks	Copyrights
Number granted during the reporting period (piece)	88	15	13
Cumulated number granted (piece)	197	625	91

High Quality Product

Ensuring a high level of product and service quality is an intuitive manifestation of responsibility to customers, and is also the development philosophy that C&D upholds. The company strictly abides by the relevant laws and regulations, such as the "Product Quality Law of the People's Republic of China" and the "Real Estate Management Law of the People's Republic of China", and has formulated a series of internal management policies in response to the characteristics of each business segment, and is committed to protecting the legitimate rights and interests of stakeholders.

Supply Chain Business Quality Control

Supply chain quality and integrity construction is the core of C&D's persistent efforts. In the supply chain business, C&D has formulated institutional documents such as "Supply Chain Business Process Management Regulations" and "Supply Chain Business Operation Management Regulations" to clarify the specific business operation behavior of operating units and management departments and the management process of supply chain, and to establish and improve the company's complete internal product quality assurance system. The company has continuously obtained ISO 9001 quality management system certification since 2012.

C&D participates in and strictly controls all aspects of the products, and implement quality management by clarifying the system in many aspects such as distribution process, quality control and control of non-conforming products.



Company Wine Traceability Management System

- The distribution and traceability platform of Xiamen C&D International Wine Group Co., Ltd (hereinafter referred to as "C&D Wine") established a benchmark for tracing of wine model products and was awarded the Certificate of Tracing System.
- At the same time, C&D Wine successfully passed the acceptance of the project by the Ministry of Commerce of the People's Republic of China, with the total acceptance score ranking first among the pilot model enterprises of liquor.

One-click Food Tracing

- Xiamen Municipal Administration of Market Supervision went online with the food safety traceability supervision system "Entry must be registered". C&D actively cooperates and takes responsibility for the food safety of the society, showcasing our social responsibility.

Energy and Minerals Rejection Clause

- In the supplier introduction stage, "energy and minerals containing harmful elements" is listed as a rejection clause.
- For suppliers involved in non-compliance, reject their products and terminate the transaction.

Food Business Management

- The supplier shall ensure that the quality of the product complies with national policies and regulations, and shall sell the goods within 60 days after delivery to the designated warehouse, or before the remaining shelf life of the product is less than one-third.
- The contract with the service provider stipulates that if the goods are overdue, contaminated or damaged, the service provider shall destroy them centrally in accordance with the relevant regulations and prohibit them from entering the food market, and provide proof of destruction.
- It is agreed in the contract that the customer shall not sell the expired products and the defective goods shall not be used for food use.

Quality Control in Real Estate Business

C&D has established a full chain of risk process management measures in the real estate business to strictly control the quality of real estate projects.

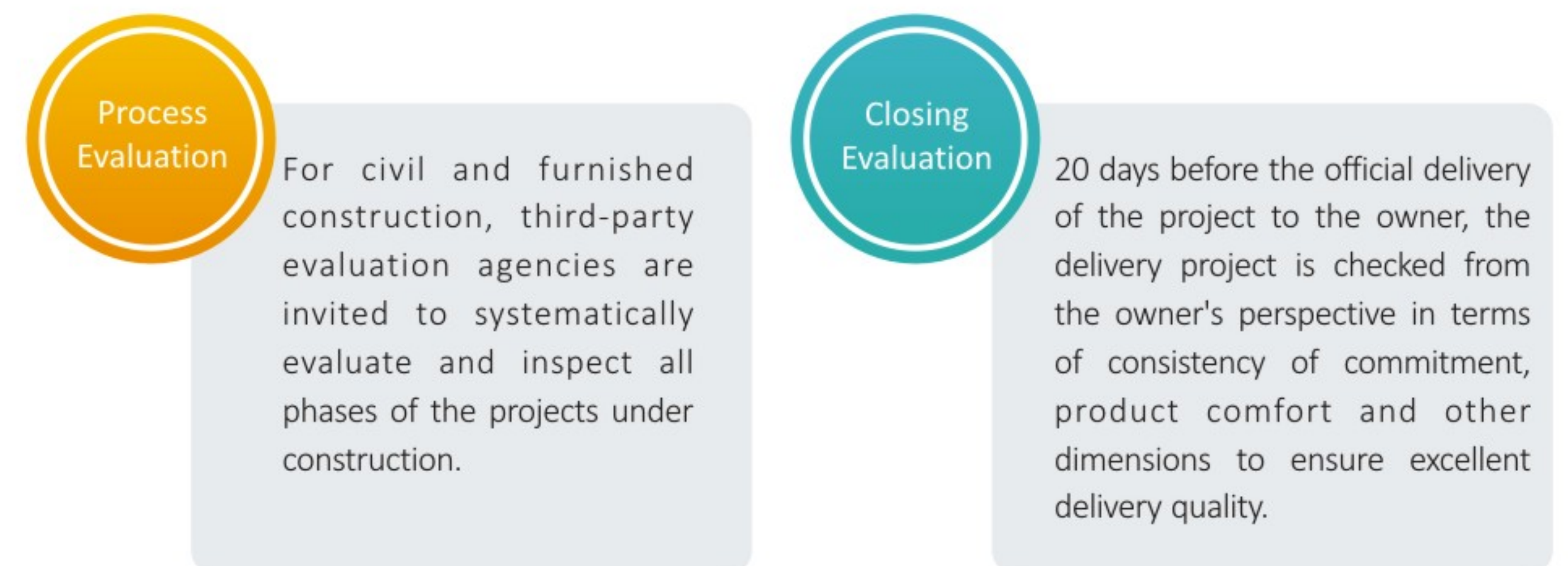


C&D Real Estate has formulated safety and quality management systems and standards such as "Engineering Management Guidance Manual", "Residential Engineering Standard Process Atlas", "Standardized Guidelines for Safe and Civilized Construction", "Compilation of Residential Leakage Prevention Design and Construction Requirements", etc. With five major systems, two major evaluation systems and 25 management actions, C&D Real Estate covers all aspects of the whole process from the beginning of construction to closing and after-sale to improve product quality and owner satisfaction.

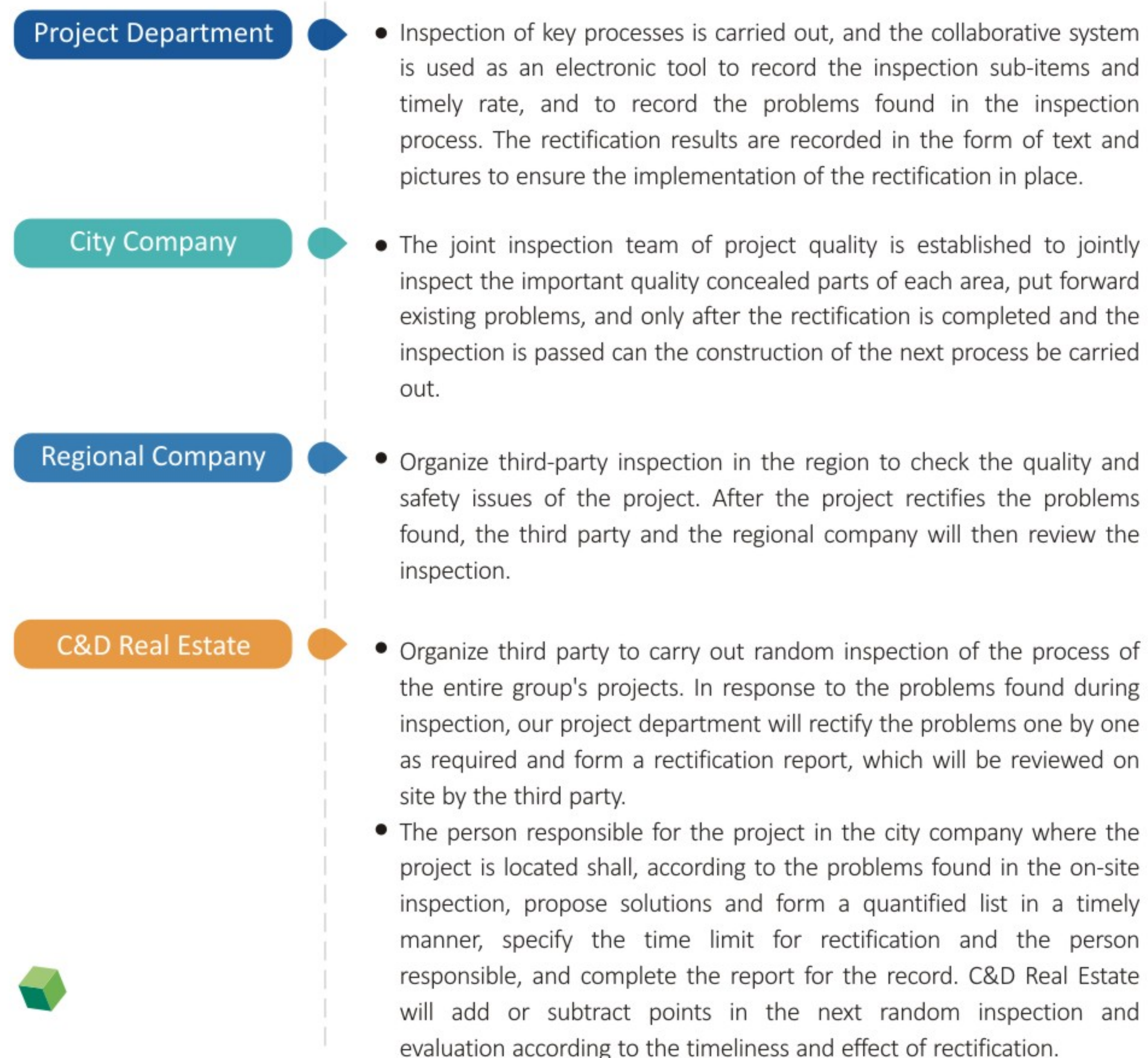
Five Major Systems for Quality Control of C&D Real Estate

Engineering Collaboration System	Information tool for recording management actions such as acceptance of key processes, construction logs and daily inspections during the implementation of civil engineering and finishing projects.
"One Room, One Inspection" System	Information tool for recording the inspection and adjustment results of "one room, one inspection".
Product Closing System	Information technology tool for online closing procedures and recording of closing issues when delivering to owners.
400 After-sales Maintenance System	Information technology tool for analyzing after-sales problem reporting, repair progress and evaluation.
Intelligent Engineering System	Information technology tool that combines site monitoring system with safety management, and establishes a all-around personnel management and safety hazard handling mechanism.

Two Major Assessment Systems for Quality Control of C&D Real Estate



When there are quality problems, C&D Real Estate will implement specific rectification plans and processes according to four dimensions



Lianfa Group has established a product defect database to prevent problems before they occur, collecting the problems frequently encountered by projects around the world in daily customer repair and complaint handling, as well as the inconveniences or unreasonable aspects of project use found by the customer relations department in their daily work; Lianfa analyzes and summarizes them, and jointly analyses the causes with the product development center, engineering technology department, marketing management department and property company and gives improvement recommendations for the future. By organizing these problems according to four categories of planning, design, engineering and sales and feeding them back to the front-end departments, Lianfa has established a set of defective closed-loop system to provide reference for future project development and guarantee the upgrading and iteration of product and service. At the same time, Lianfa Group has formulated the "Lianfa Group Engineering Management Regulations" and other system documents to clarify the management of enterprise engineering progress, quality and safety and technology, and guarantee the smooth achievement of quality and safety management goals.

Lianfa Group "Red and Yellow Card" Regulations

In order to further enhance the effectiveness of engineering management, Lianfa Group has issued the "Regulations on Red and Yellow Cards for Engineering Management" for all under-construction projects and subsequent new construction projects of the headquarters and its affiliated enterprises, with quality hazards as a key category for quality control. Based on the monthly progress information of the projects under construction, project delivery time, current progress, site implementation conditions and overall resource status, the Group's Engineering Technology Department makes a comprehensive judgment and issues red and yellow cards for progress management to projects with delivery progress risks by early warning. Among them, units within the tender section will receive a yellow card warning when any quality, safety and progress problems occur during inspection, and a red card warning when the total number of items reaches 2. After the red and yellow cards are issued, the Engineering and Technology Department of Lianfa Group is responsible for supervising and rectifying the problems, and conducting research and analysis on the intrinsic causes of the hidden problems to help the project improve.

High Quality Service

The company attaches great importance to user experience and customer interests, and creates more value for customers by responding quickly to their various demands through high-quality communication. The company strictly abides by the "Law of the People's Republic of China on the Protection of Consumer Rights" and Interests and formulates internal rules and regulations such as the "Brand and Customer Relationship System", making every effort to provide customers with high-quality supply chain operation services, real estate development products and comprehensive services of the real estate industry chain.



Customer Service

In the supply chain business segment, C&D is committed to providing quality LIFT integrated services to upstream and downstream customers in the supply chain, and various industry companies have established customer service management teams and improved customer relationship management systems.

In the real estate business segment, C&D Real Estate carries out 7*24-hour public opinion monitoring, and once negative news and comments related to sales and services are found, they will be quickly fed back to relevant departments or subsidiaries, and will be promptly fed back and handled by each department or subsidiary. The company regularly invites third parties to conduct customer dynamic research and incorporate customer satisfaction scores into the evaluation of each unit. The research covers more than 100 detailed indicators, including overall satisfaction, property service, sales service, post-contract communication and service, housing quality, rectification and maintenance, housing design, and complaint handling, to guarantee the company's service quality and protect the legitimate rights and interests of customers.

Lianfa Group insists on customer-centeredness and formulates internal systems such as "Principles of Customer-Centered Business Handling", "Lianfa Group Customer Service Work Management Standards" and "Lianfa Group Property Service Standards" to continuously improve customer satisfaction.

The customer research covers more than

100 Detailed indicators

Programme Formulation

- At the beginning of each year, a detailed satisfaction enhancement plan is formulated, and the plan is implemented in aspects relating the executor, completion time, and the person for supervision and inspection, to ensure that the satisfaction enhancement plan is in place.

Satisfaction Survey

- Collaborated with China Index Research Institute to conduct mystery guest checks and annual customer satisfaction surveys.
- The mystery guest inspection is conducted once every six months, with third-party staff playing the role of customers to examine and experience all aspects of the project from the customer's point of view, and to score and give suggestions for management improvement based on customer-sensitive experience points in order to improve customer satisfaction.
- The annual customer satisfaction survey is conducted by telephone and Internet questionnaires to solicit customers' feelings in terms of home purchase service, post-contract service, delivery service, project planning, engineering quality, property service and complaint handling, etc. The management decision is formed by analyzing the feedback data of a large sample of customers, thus improving customer satisfaction.

Routine inspection

- Establish a routine quality inspection mechanism, with the Brand and Customer Relations Department coordinating all regional customer relations personnel to conduct quality inspections at project sites every two months.
- Form a feedback report on the problems found and deal with corrective actions in a timely manner.

Customer Complaint Response

To deal with the issue of customer complaints in real estate business, C&D has opened a variety of channels and has developed a comprehensive customer complaint handling process.

Complaint Channel

- C&D Real Estate has set up two channels, online (Smart Life APP/ Diamond Club WeChat Account) and offline (400 national service hotline).
- Lianfa Group has set up two channels, online (7*24 hours manual online customer service) and offline (400 national service hotline, and local real estate customer service hotlines at regional and city level).

Response Initiatives

- The company has set up a grading warning system to handle customer complaints in a graded manner according to the number of people involved in the owner's complaint and the size of the incident, etc.

Complaint Process

- The company uses CRM system for efficient handling of customer requests.
- The system is used to determine and divide responsibility and flow to the corresponding processing.

Complaint Duration

- Typical complaints are entered into the customer complaint system within 1 calendar day and preliminary processing plan is prepared; offline processing of customer complaints is completed within 5 calendar days.

Complaint Progress Inquiry

- Customers can inquire about the progress of processing through the 400 national service hotline.

Completion of Complaint

- After the complaint recipient finishes processing the complaint, the result of the complaint is registered in the system, and the 400 agents call the customer for a return visit and scoring.
- If it is not completed, it needs to be reworked until the customer is satisfied, forming a management closed-loop.
- Daily customer satisfaction is included as an assessment indicator in the monthly, quarterly and annual assessment to ensure that the customer satisfaction rate is reached and that customer demands are effectively resolved.

In addition, based on the principle of "easy to read, easy to understand and easy to apply", Lianfa Group has formulated and released documents such as "Lianfa Group Brand and Customer Relationship Management System", so as to realize that "there are tables to follow, people to find, and problems to check" in the process of the whole cycle of customer service". At the same time, in order to further strengthen the service quality of the customer service team and ensure that all customer demands receive feedback, Lianfa Group has organized a series of training programs for the customer service team.

- We organized an internal training session on "More than New" branding and customer relationship for the people in charge of branding line, with a total of nearly 200 participants. At the same time, we organized a special training on "Lian Xiaomeng 2.0 Results Release and 2022 IP Operation Plan" in December to strengthen the professionalism of our staff, receiving a total of 50 participants.
- For customer service and sales staff, we continued to organize special training such as the dissemination of "Customer Relationship New Employee Guidance Manual" throughout the year, with a total of nearly 500 participants.



Take Preventive Measures, Ensure a Stable Journey Forward

- Safeguarding the Production Safety Bottom Line
- Building a Strong Information Security Defense



Safeguarding the Production Safety Bottom Line

With "safety first, prevention first, comprehensive management" as the policy for production safety, C&D started the work of standardization of production safety in 2020, and set up the Production Safety Leading Group, which coordinates and promotes the implementation of production safety responsibilities at each level. The Production Safety Leading Group holds quarterly working meetings to analyze the company's production safety situation and study production safety accident prevention measures.

Structure of C&D's Production Safety Leading Group



According to the "Production Safety Law of the People's Republic of China", Xiamen City Safety Production Regulations, C&D Group Production Safety Regulations, and requirements from regulatory bodies such as the Xiamen Municipal People's Government's Office of the Safety Production Committee and the State-owned Assets Supervision and Administration Commission, the company formulated safety production documents such as C&D Production Safety Regulations to guide the company's production safety function management departments, each operating unit and its wholly-owned, holding companies to standardize the work of safety production and curb the occurrence of various production safety accidents. During the reporting period, the Company invested more than RMB 12 million in production safety.

During the reporting period,
the Company invested more than **RMB 12 Million** in production safety

In the supply chain business segment:

- A key unit of C&D's supply chain business, C&D Auto, has obtained GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certification.

In the real estate business segment:

- By establishing a three-level control system of "Group Safety Production Management Committee - Regional Company Safety Leading Group - City Company Safety Working Group", C&D Real Estate clarifies production safety management measures, management requirements and assessment system, and strictly promotes safety education for grass-roots management personnel and grass-roots workers. The safety inspection system of C&D Real Estate is divided into three levels according to degree of danger and importance, and promotes self-inspection and third-party inspection by subordinate enterprises, which is a double check on the safety management of construction sites.
- Lianfa Group has set up a "safety assessment team" to assess the construction of safety production system and annual safety management of responsible projects of its subordinate real estate development enterprises, property companies and engineering management companies with quarterly and annual frequency, with equal emphasis on process and result indicators. Units and relevant responsible persons with unqualified assessment results are subject to punitive measures such as organizational treatment, deduction of salary, cancellation of evaluation of priorities and restriction of promotion. During the reporting period, Lianfa Group updated and revised the "Lianfa Group Work Safety Management Regulations" and "Lianfa Group Work Safety Responsibility Letter" to further standardize the work requirements and management indicators related to the prevention and elimination of occupational disease hazards and concern for employees' physical and mental health.
- As an important stakeholder in our real estate business, we pay close attention to the occupational health and safety conditions of our construction workers. The company treats construction workers the same as all regular employees of C&D in the real estate business segment, and the health and safety standards of our regular employees apply to every construction worker.

Safety Risk Identification

C&D insists on shifting forward our work on production safety and strives to achieve advanced prevention of safety accidents through regular safety risk inspection and improving the level of safety management informationization.

The Company regularly organizes special production safety improvement and risk identification and management work in key areas and important time points in the scope of supply chain business and real estate business every year. During the reporting period, the Company organized annual inspections, as well as special inspections for typhoon and flood prevention, pandemic prevention and control, and fire prevention and control during spring and winter seasons, and promoted rectification actions for the identified risk issues. All relevant issues have been rectified during the reporting period.

Sample of Identification, Prevention and Control of Key Risks in C&D's Production Safety

	Workplace	Description of major hazards	Main prevention and control initiatives
Supply Chain Business	Cargo elevator	Elevator failure Entrapment fall	1. Improving the "Safety Operation Regulations for Cargo Elevators", posting operating procedures and emergency contact numbers, and providing safety training to operators. 2. Strictly prohibiting operation while sick. 3. Conduct daily inspection of elevators and providing regular maintenance.
	Separation of man and vehicle	Vehicle breakdown Accidental collision with people and goods	1. Improving the "Separation of People and Vehicles Management Regulations" and providing safety training to operators. 2. Planning driving routes and posting signs. 3. Reminder from security while entering inventory and providing timely guidance.
	Safe operation of fuel dispenser	Diesel spillage Use of open flame	1. Improving the "Safety Operating Procedures for Oil Depot Dispensers" and providing safety training to operators. 2. Siting the oil depot away from the storage area, reducing amount of storage to eliminate problems such as running, risk, leakage and dripping. 3. Equipping with yellow sand and fire extinguishers for emergency treatment.

In the real estate business segment, Lianfa Group conducted regular safety inspections of **229** responsible projects through daily, weekly, monthly and quarterly inspections during the reporting period, and carried out **299** safety inspections in total. In addition to self-inspection of safety risks in key areas and weak links, Lianfa Group has also introduced mechanisms such as third-party inspection, red and yellow cards, flight inspection and "black man" random inspection.

	Major inspection items	Main prevention and control initiatives
Real Estate Business Projects (under construction)	Working at high altitude	1. Safety training for operators. 2. Building door-type movable frame and adjacent hole protection (including hanging baskets and unloading platforms) that meet safety standards. 3. Wearing helmets, safety ropes and other protective tools to ensure that the climbing tools are firmly knotted and smoothly placed.
	Electricity use for construction	1. Installing well-sealed baffles in the power distribution room for small animals. 2. Standardizing on-time inspections of the power distribution room and setting up emergency lighting. 3. Regulating the laying of temporary cables and other wires. 4. Setting up door locks and rainproof measures for the distribution box cabinet.
	Large machines - elevators	1. Setting up full-time operators and requiring them to be licensed to work. 2. Ensuring that the machine is tested and inspected when put into use. 3. Setting up the protective rails and scaffolding boards on the stopping platform in compliance with regulations. 4. Annual inspection of fall arresters.

In order to effectively improve safety management efficiency and comprehensive management level, realize centralized supervision of safety information of the company and its key safety units, as well as timely tracking of safety risk remediation, C&D further consolidated our "Internet + safety supervision" mode in 2021.

Released online "E build safety - inspection instant scoring system"

In August 2021, the company's cell phone terminal and ERP terminal information platform officially launched the inspection instant scoring system.

Members of the company's production safety leadership team can upload inspection results instantly through the cell phone APP, generate scores on the spot and send them to the head of the relevant responsible units to enhance the timeliness of safety inspections and the supervision of rectification of relevant units.

Released online "E build safety - monthly safety self-inspection system for on-site units"

In September 2021, C&D Auto, C&D Logistics, and C&D Paper and Pulp released and began using the online safety self-inspection system, which can cover more than 80 on-site units in two types of business: warehouse and 4S store, and include more than 60 major categories of safety risks.

The front-line inspectors can complete the inspection confirmation, problem situation & rectification report of the project through the mobile APP.

Interfacing with the Group's "Safety Management Information System"

During the reporting period, we achieved monthly safety reports and safety tasks reported through the Group's system.

In October 2021, the optimization of the modern warehouse alarm processing method of the logistics company was completed, and it has realized the processing of alarms and submission of reports on time.

Completing the building of the "business unit card system"

This system produces electronic business cards for on-site units, enabling safety managers to scan the location code or click on the relevant section of enterprise WeChat to view basic safety information of on-site units, providing information support for comprehensive safety management. During the reporting period, the system has been built and the authority will be opened according to the safety management level.

C&D Real Estate strengthens the security function of "Intelligent Engineering System"

C&D Real Estate established the Smart Project 1.0 system at the end of 2018, combining the site monitoring system with safety management through information technology to establish a personnel management and safety hazard handling mechanism. 2021, C&D Real Estate further improved the safety management module of the system and upgraded it to version 3.0. By the end of the reporting period, the system has been implemented in 152 projects nationwide.

Personnel Management System

- Arriving personnel will collect their faces, identity information and special job documents in the safety classroom through the all-in-one machine, followed by pre-job training organized by the general contractor safety officer, and after completing the training, the trained personnel will complete the training registration through the face recognition equipment and record the video data of the whole process.

Violation Identification

- The cameras deployed in the construction site will automatically identify and record the violators and send SMS to notify the violators to go to the safety classroom to receive education on violations. The general contractor safety officer must complete the education of the violators by the deadline, after the completion of the graded warning to the project management team of Party A to urge the implementation of education on violations in place.

Photograph Function for Safety Hazards

- Through the cell phone app, the whole staff is mobilized to record safety hazards at the construction site at any time.
- Safety hazards will be sent to the general contracting unit for rectification by the deadline, and the supervisor will carry out inspection to close the loop.
- Safety hazards will be sent to the general contracting agency for timely rectification, and the project management team will receive early warning information for those hazards that are not rectified on time.
- Through this function, we can ensure that all the rectification of hidden dangers are in place and achieve full safety management.

Safety Awareness Classroom

- Enhance the awareness of production safety among grassroots managers and operators of the project, and regulate production safety behaviors.
- The content of education includes: information registration and training, education for violators.

Hawk Eye Surveillance

- Through the deployment of Hawk Eye cameras in the tower crane, to achieve real-time monitoring of the construction site and personnel movements, tracking and recording the occurrence of safety emergencies and rectification, to enhance the level of handling of safety emergencies.

Safety Emergency Management

We are committed to minimizing the possibility of safety accidents through a sound safety risk identification mechanism. In the face of possible safety emergencies, we have also established a comprehensive emergency disposal and rescue system to minimize casualties and property damage.

The company's management of emergencies follows the principle of "quick response and upward reporting". We put the life safety and health of our employees in the first place and identify the key points for accident control according to the actual situation of our business. In order to coordinate the response and quickly deal with the occupational health and safety accidents that may be caused by these factors, the company has formulated the "Xiamen C&D Regulations on Reporting of Emergencies and Major Matters of Safety and Stability" to provide institutional guarantee for accident emergency management and clarify the command system.

In addition, the company regularly organizes emergency drills to enhance the emergency response capability of employees at all levels of occupational health and safety accidents. During the reporting period, C&D and its subsidiaries held a total of 92 emergency drills and fire drills, covering emergency escape, firefighting, flood prevention and control, etc.



C&D Safety Emergency Drill Training

Safety Performance Evaluation

We improved safety management organizational structure, enhanced production safety risk identification, implemented production safety emergency management, and also promoted closed-loop safety management with a strict safety production target responsibility system to supervise the implementation of safety production target responsibility, assessment and accountability system.

Each level of the company will sign an annual "Production Safety Target Management Responsibility Letter". The specific terms and contents of the responsibility letter will be close to the actual characteristics of the industry and enterprise, in which the company is located at each level, and set customized targets. Units that share production safety equipment and facilities with other business entities or common operation and management will sign an additional production safety responsibility letter to ensure clear delineation of production safety responsibilities and clear division of respective duties.

The annual production safety target of companies at all levels will be included in the annual assessment of responsible persons at all levels, and the assessment results will be used as an important reference for the selection and appointment of officers, promotion and ranking, rewards and punishments.

C&D's occupational health and safety performance in the past three years

		2019	2020	2021
Number of work-related deaths (person)	Supply Chain Business	0	0	0
	Real Estate Business	0	0	0

C&D's Binding Targets for Production Safety Management in 2021

01 Production Safety Control Targets

1. Zero major and large-scale accidents.
2. Zero mortality rate for general accidents.
3. Zero direct economic losses exceeding 1 million RMB.
4. Zero food safety accidents with more than 10 injuries or fatal cases.

02 Firefighting Targets

1. 100% "three in one" rectification rate, the rate of timely rectification of fire hazards, and firefighting qualification rate of personnel-intensive places.
2. Zero serious and large-scale fire accidents, and zero mortality rate from fire accidents.
3. "Four capabilities" construction in line with relevant government regulations.

03 Road Traffic Incident Targets

1. Zero serious traffic accidents in the company.
2. Full coverage of education for drivers and employees to prevent traffic accidents, no fatal accidents caused by drivers and employees violating traffic rules.

04 Safety Management Targets

1. 100% signing rate of the Production Safety Target Management Responsibility Letter.
2. 100% of annual assessment, rewards and punishments are carried out.
3. 100% of the operation and safety records of production safety management institutions at all levels.
4. Main responsible personnel to host the production safety meeting and solve major problems not less than 4 times each year.
5. 100% timely closure rate of accidents.
6. Zero matter of being notified and criticized by a supervisor.

05 Occupational Health and Sickness Prevention and Control

1. Sound management system.
2. Zero incidence to occupational sickness.

Safety Culture Construction

In accordance with the relevant laws and regulations or industry requirements, C&D ensure that 100% of the relevant positions are licensed, and popularize safety skills education for all production safety officers and managers, special operators and migrant workers, while at the same time, through the "Safety Production 'Five-in' Activities ", "Safety Production Publicity Month", "11.9 Fire Safety Publicity Month", "12.2 Traffic Safety Day" and other series of promotional activities to create a safe atmosphere, improving the safety awareness of all staff.

Safety training conducted by C&D

	Supply Chain Business	Real Estate Business
Length of safety training (hour)	336	4,245
Safety training coverage (person)	168	93,402



Safety Production Culture Construction of Lianfa Group

Safety policies and skills study exam

- Organized online learning and examination for safety management personnel at all levels. Learning content includes 7 system courses and 2 safety inspection courses, as well as two videos of pump room inspection process and central control room inspection process made by ourselves as courseware. A total of 277 people participated in the course and passed the exam with a 100% pass rate.

Carrying out the Safety Production Month

- Published a total of 10 WeChat articles, receiving over 10,000 hits.
- Distributed 34 pictorials, 10 microfilms, and 5 PPTs.
- A total of 3,595 people participated in C&D Group's safety knowledge quiz, with a participation rate of 72%.

Inspection Skills Training

- Cross-inspection study among enterprises was carried out to improve the inspection standardization skills of relevant personnel in the form of leading training.
- Lianfa Group's Brand and Customer Relations Department carried out special training on the inspection points of fire protection system and sprinkler system based on the key points that easily neglected in the safety management of property projects.

C&D Real Estate Safety Policies and Skills Training



Building a Strong Information Security Defense

In the new era of smart supply chain with deep integration of supply chain and Internet and Internet of Things, in order to better help create a new digital economy and empower the digital transformation of enterprises, C&D is facing higher requirements to improve the information security guarantee capability. Meanwhile, digital technology is also being gradually applied to the whole life cycle of real estate projects such as investment, construction, planning, design, building, sales and operation.



Information system security level protection filing certificate of C&D

C&D complies with all applicable laws and regulations such as the "Network Security Law of the People's Republic of China", "Data Security Law of the People's Republic of China", "Personal Information Protection Law of the People's Republic of China", "Information Security Level Protection Management Measures", etc., and has formulated a strict information security management system by combining industry experience, customer security requirements and third-party analysis. The company has formulated "Information Management Regulations" to regulate management elements such as information system level filing requirements, information security event disposal requirements and network security personnel management requirements, and the "Information Security Working Group" will coordinate and promote the effective implementation of management initiatives.



The company promotes information security protection on a regular basis by deploying network security access control, introducing operation and maintenance audit and risk control systems, and implementing comprehensive vulnerability scanning for new systems. At the same time, the company protects user privacy by encrypting the transmission and storage of personal privacy data and confidential company data, and using physical firewalls to isolate storage media.

We require each employee to sign a "confidentiality contract" when joining the company or include the confidentiality duty clause in the labor employment contract to clarify where the information security duties of individual positions lie. The company will punish the unit or individual who violates the company's information security regulations according to specific circumstances. For those responsible for serious violations, the company will terminate their labor relations and pursue their economic compensation responsibilities and legal responsibilities.

Enhancing the Company's Information Security Protection Capability and Protection Level

Network Security Training

- Carry out "Network Security Policy Construction and New Law Inventory" training to help network security technicians update laws and regulations, management and technical knowledge.
- Carry out the training of "Network Security Management Configuration Technical Guide", execute network security baseline verification for each business system, server, database, operating system, middleware, network equipment, security equipment and other environments of C&D with reference to the network security level protection 2.0 standard, and instruct information network security technicians to master the way of security baseline inspection and configuration.

Network Security Emergency Drill

- C&D Group, together with C&D Inc., conducted an Internet egress and server network core emergency drill in October 2021. The drill simulated various scenarios of failure of various networks and security equipment or line switching in accordance with the "Network Core Emergency Recovery Plan". The results of the drill met expectations.

Based on the characteristics of real estate business, Lianfa Group has formulated "Lianfa Group Information Management System" and set up "Information Security Leading Group" under "Information Management Committee" to promote the standardization of information security management. The official website, OA system, Kingdee EAS system and Mingyuan Real Estate ERP system of Lianfa Group have all implemented Level 2 Equivalent Security (Information System Security Level Protection) standard.

Lianfa Group clarifies and supervises the responsibility for information security management of its affiliated companies through the "2021 Annual Security Production Responsibility Letter". The performance of the undertaking departments of the affiliated enterprises in the dimensions of network management (e.g., whether information security publicity and inspection are in place) and network security (e.g., failure to handle a major network security incident in accordance with the "Computer Network Management Emergency Plan" and causing significant impact) will be directly linked to the annual performance appraisal.

In promoting the construction of information security culture, Lianfa Group carries out information security publicity activities simultaneously with the "Safety Production Month". At the same time, new staff induction training includes information security learning content on a regular basis.

Lianfa Group Carries Out Internal and External Exchange of Information Construction

Internal Communications

Hosted the 12th session of C&D Group's "Hand in Hand" series, sharing the applied practice of video conferencing system.

Participated in C&D Group's "Digital Intelligence, New Finance, and Future" Digital Empowerment Finance Conference.

External Sharing

Participated in industry meetings such as Mingyuan's "Digital Intelligence Summit", Weike's "Data Upgrading Industry Conference", and RISE with SAP's "Digitalization for Enterprise Innovation Management and Operational Excellence - Industry Seminar".



Work Together, Build Harmonious Enterprise

- Recruiting and Retaining
- Training and Development
- Communication and Care



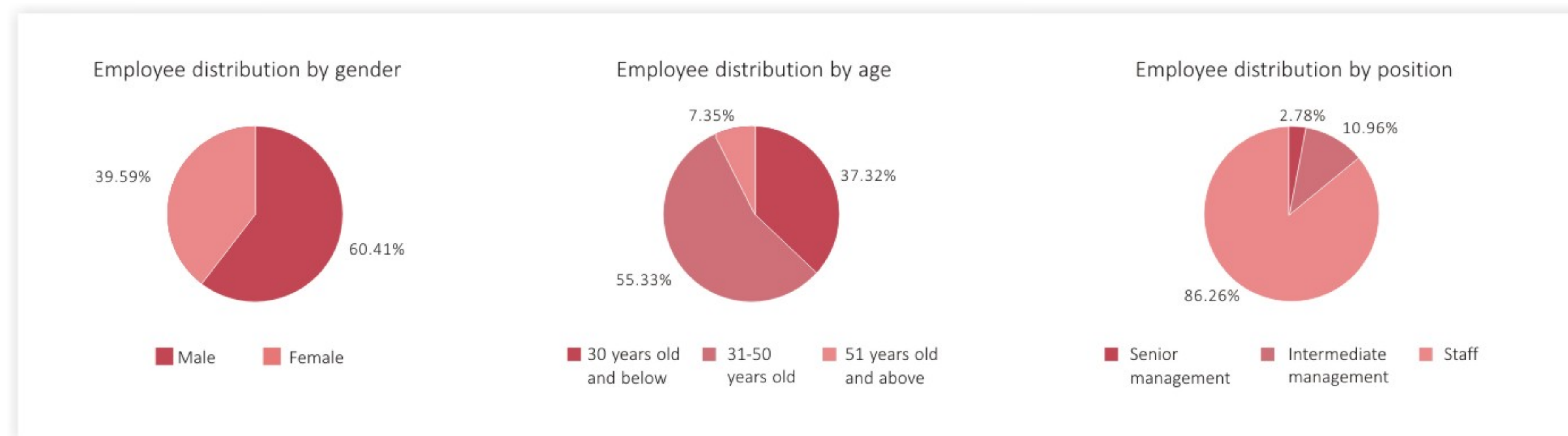
Recruiting and Retaining

Excellent talent team provides solid support for company's innovation practices and high-quality products and services. C&D is making great efforts to seek for diversified talents, and build stable career development path for them by sound management system and regime construction. We look forward to achieve development together with our staff.

C&D strictly abide by the relevant laws and regulations, including "Labor Law of People's Republic of China" and "Labor Contract Law of People's Republic of China". We also formulate series of internal regulations, including "Human Resource Management Regulations", "Salary and Welfare Management Regulations", and "Reward and Punishment Regulations", to guarantee the normalization of recruitment, promotion, salary, welfare and occupational health. We also prohibit any form of child labor and forced labor, treat employees of different genders, ages, nationalities and cultural backgrounds fairly, and provide employees with equal job opportunities.

As of December 31, 2021, C&D had 26,761* employees in total, with no employment discrimination, child labor and forced labor.

* The statistics of total number of the employee and the employee structure cover C&D supply chain subordinate companies, C&D Real Estate (including property) and Lianfa Group.



C&D Real Estate formulated "Human Resource Management System of C&D Real Estate" and "Human Resource Management Guidance Manual", to regulate personnel appointment, deployment, performance appraisal, salary, benefits, rewards and punishments. During the reporting period, we actively expanded external talent resources and innovated the talent cooperation mechanism.

- In terms of social recruitment, we formulate recruitment principles such as "internal first, then external", "relative avoidance", and "fit-to-post matching", clarify the implementation and approval procedures for key positions recruitment, to promote the regular recruitment of company, and continuously attract outstanding talents to various industries.
- In terms of campus recruitment, we operate a number of recruitment brands, including "Qi Jian Sheng", "Marketing Qi Jian Sheng", "Chuang Jian Sheng" (property management trainee) for fresh graduates, and "Jian Xi Sheng" for undergraduates (summer internship) to meet the diverse needs of young talents for different business sectors and positions. Meanwhile, we actively cooperates with Fuzhou University, Southeast University and other universities to establish practice bases,

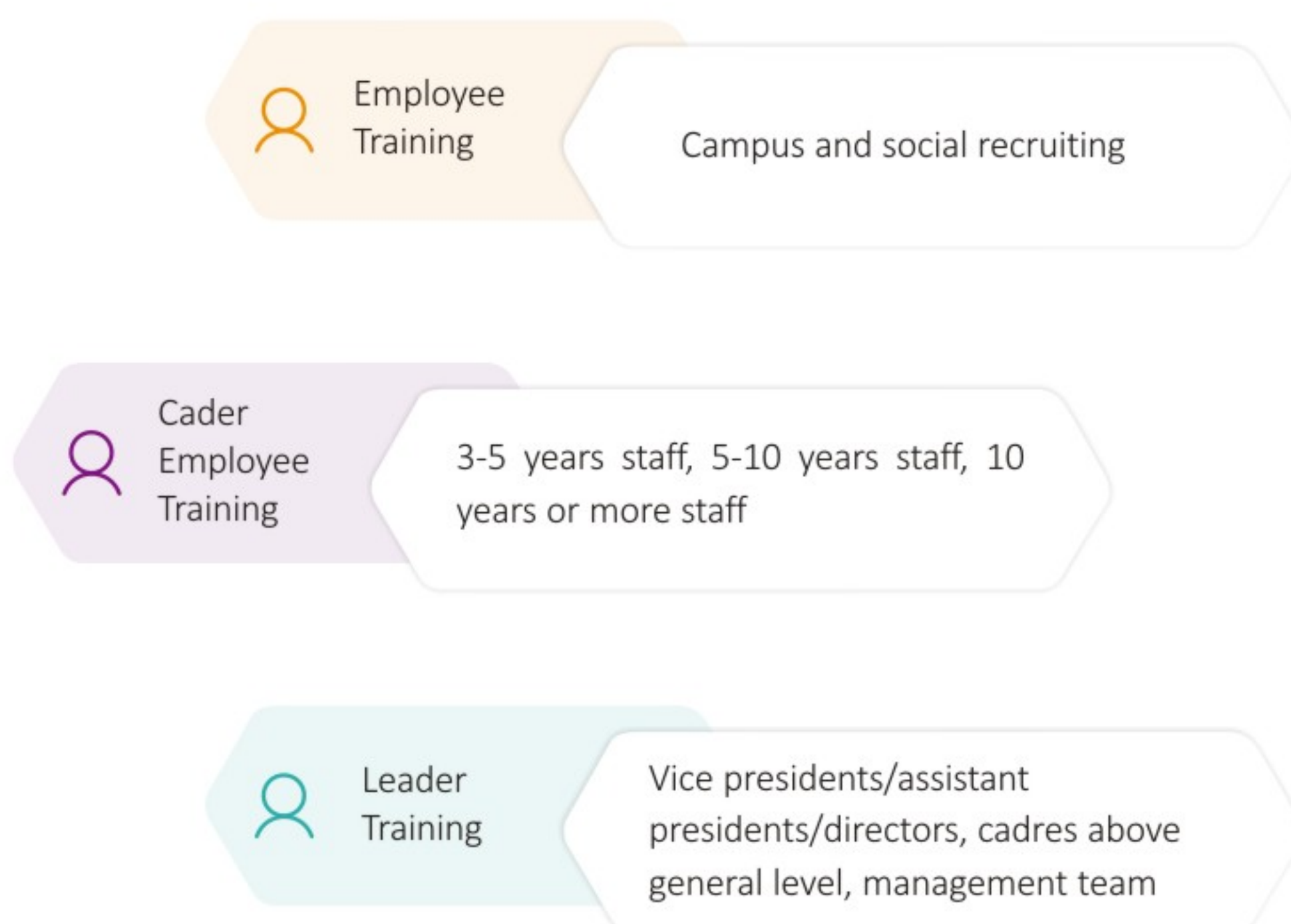
production-university-research bases, etc., to provide students with practical opportunities and accumulate the growth of young talents.

During the reporting period, Lianfa Group further promoted the upgrading of talent management informatization, and achieved efficiency priority and continuous iteration. The upgraded HR information system of Lianfa Group can cover the entire process of employee entry, transfer and departure. New employees can quickly complete their information collection, mentor formulation, employee card application, OA account opening and other operations through the system. In addition, the system equips with an advanced online learning and assessment platform, from which new employees can obtain online "New Employee Entry Guidelines Map". At the same time, the system can automatically trigger the monthly assessment of the new employee guidance period and the assessment process for the expiration of the probationary period, forming a closed loop of new employee assessment.

Training and Development

Employees are the most valuable asset and the source of continuous innovation of C&D. Career development management is also critical for both employees and our company. C&D strives to build a diversified career development matrix, and provide a smooth development space and training support, so as to provide a broad stage for the career development of every employee.

From the dimensions of curriculum system, lecturer resources, and training operations, and considering about the training focus for key employees, we have designed a capacity improvement training plan in line with their development path at different stages, and has established a multi-level and all-round training system for them from new employees, core business cadre to business leader. We strive to comprehensively improve the leadership, business, risk control, and general and professional skills of employees. In addition to regular offline training, we also applies online learning from the platform of "E Jian Xue" to provide employees with abundant learning resources and improve the timeliness and convenience of learning for remote and overseas employees.



In addition, we extensively introduced external education and training resources to activate the development potential of employees. During the reporting period, we introduced external courses, such as the Cheung Kong Graduate School of Business learning program, "Periodical Strategic Environment Observation" and "Digital Supply Chain and Business Model Innovation", mainly for cadres above general level, to bring employees' views on corporate development in the direction of internationalization, industrial trends and corporate strategies with external perspectives and innovative dimensions. During 2021, the average training hours per employee of C&D was 242.21* hours.

Employee Category		Training hours (hour)
Gender	Male	3,651,240.72
	Female	2,830,421.96
Position	Senior Management	442,334.82
	Intermediate management	1,171,808.57
	Staff	4,867,519.29

*The statistics of the average training hours per employee and the total training hours cover C&D supply chain subsidiaries, C&D Real Estate (including property) and Lianfa Group. Compared with previous data, the training hours of e-learning program of C&D Real Estate was added in this year.



C&D Has Built a Diversified Career Development Matrix

Post-85 young cadres growth community

Build a long-term training mechanism for the growth of post-85 young cadres for 5 years. The community members operate independently, make collective decisions, break and integrate, collaborate and develop, and promote the rapid growth of young cadres.

Management forum and special training

9 management forums and 6 special training sessions were organized around macro environment, industry insight, strategic environment and financial technology, about 4,800 people attended.

Supply chain business practice sharing session

Organize and implement a series of training on risk control and business power for key employees of business series of 5-10 years / 10 years or more, including "Combining Futures and Cash to Empower Enterprise Development" and "LIFT Supply Chain Digital Application", about 600 people attended.

Campus recruitment employee training

Combined with the company's new five-year plan, talent training requirements and the characteristics of new employees to coordinate the planning of the campus recruitment of new employees in the 2 stages of training and 3 stages of assessment, about 168 people attended.

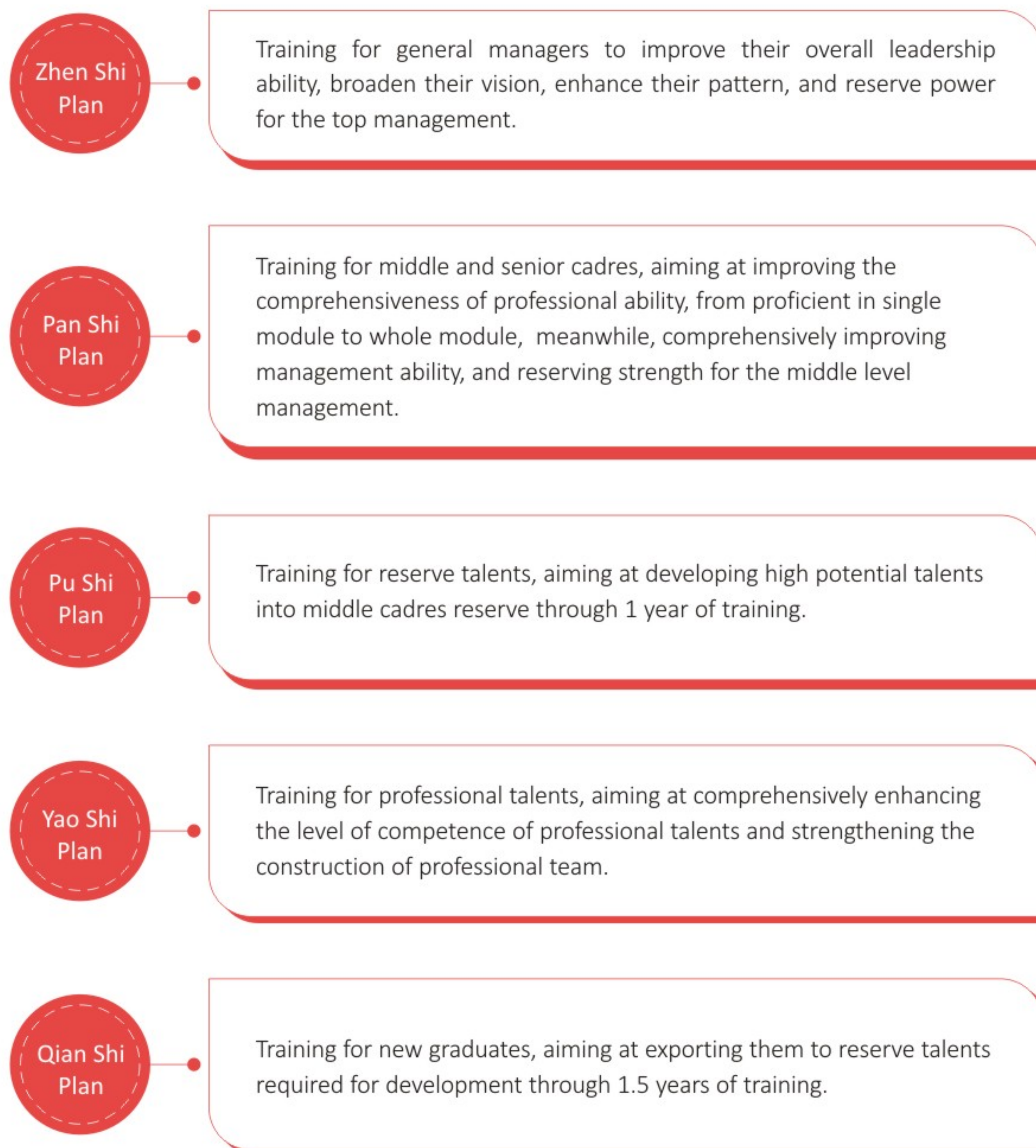
2021 C&D Annual Labor Skill Competition

With the theme of "New Five Years - New Power", C&D held a new labor skill competition in 2021. 9 teams were formed from new group and division, and we encouraged 13 management departments to participate in the question making step, covering a full range of contents such as general knowledge of supply chain, import and export trade, laws and regulations, finance and securities, corporate culture and party knowledge, etc., closely following the strategic points of "specialization", "going out and internationalization" and "technology and financial empowerment", to assess the comprehensive quality of the employees, and to make the key contents of the new five-year plan deeply rooted in employees' hearts.

The offline competition includes the forms of quick answers, compulsory answers and PK between teams. Online competition was supported by organizational WeChat, and we adopted the way of "daily quiz contest" to encourage the participation of staff. The competition lasted for two weeks, with more than 20,000 participants, forming a good atmosphere of learning and competing.



Employee Training System of Lianfa Group



C&D Real Estate has sorted out the company's talent training system according to its business development needs and built a "3-1-5-2" internal talent supply chain based on business value. We adopts the strategy of "combining internal selection and external recruitment" in selecting and recruiting cadres, emphasize on discovering and forging talents in practice, and discover talents through performance assessment, talent inventory, internal competition and training defence. We also improve our staff quality through training courses and professional skills training held by the Group and companies jointly, and establish the "selection-training and job qualification certification-on the job training system" to accelerate the growth of excellent employees.



Meanwhile, we implement the performance assessment for all employees, emphasizing that "each training must be tested", and apply the results to job position appointment. In principle, the appointment is made every year. Also, we set up a dual career development system of "management" and "professional" to provide a broader development space for all employees, while realizing the elimination of the best and the worst, and strengthening the internal talent flow, so as to make the best use of talent and improve the effectiveness of employees.

C&D Real Estate Enhances Professional Skills of Internal Trainers

In order to improve the professional skills of internal trainers, promote their integration and communication and strengthen their sense of honor, C&D Real Estate held a theme salon for internal trainers in September 2021. The activity was divided into two parts: the first part was mainly for communication, through the sharing and exchange of thematic issues, internal trainers shared their feelings, thoughts and gains, as well as difficulties and confusions encountered in the training process; the second part was mainly for lecture sharing, inviting external teachers to share the topic of "How to teach a good professional course". The teachers explained the standard class, system class, problem class and task class, to help internal trainers enhance their teaching skills and presentation methods.



Communication and Care

We believe that excellent culture is the foundation for a stable and far-reaching enterprise. With the culture construction concept of equality, openness and sharing, C&D hopes to not only resonate with employees on development, but also share the concept of good life with them through open and democratic communication, and advocating positive and healthy life concepts.

Openness and Communication

C&D fully respects and attaches importance to the feedback from employees, and setting up diversified communication channels for them, including: offering intranet leader mailboxes, holding occasional employee seminars, conducting year-end cadre evaluations, holding labor union member representative meetings, and conducting employee thought dynamics research, etc. In 2021, C&D's employee thought dynamics research showed that:

- Employee care, welfare and cultural activities are the three major areas that the participation care about.
- Nearly 80% of the participation are satisfied with all aspects of the company (including physical environment, working status, leadership support, working atmosphere, etc.).
- 30% of the participation give feedback on work saturation and overtime.

Different voices from our employees will help us improve the way, as well as the quality and efficiency of our work.



C&D Real Estate Builds a Simple, Equal and Result-Oriented Culture and Communication Atmosphere

Cadre Assessment

Regularly hold 360° assessment, collect staff's evaluation and suggestions on their units, teams and cadres.

New Employee Probationary Period Management

Establish a "1-3-6" probationary interview mechanism, and organize communication with relevant personnel during the first, third and sixth months of the employee's employment.

Executive Interviews

The Group's general manager will conduct interviews with cadres who have been on board for 3 months, to understand the development of front-line work and the adaptation of them.

Thought Dynamics Research

The union and the league committee conduct interviews with young employees from time to time, to understand the thought dynamics of them and their suggestions to the company.

Communication Meeting

Set up communication meetings for different groups and teams, such as new and old management trainees, new staff communication activities, etc.

Team Stability Communication

Monthly statistics on employee turnover. Conduct exit interviews for departing employees, analyze the leaving reasons, actively solve the problems employees encounter, and improve the retention rate of potential talent.

Satisfaction Survey

During the reporting period, more than 1,000 cadres and staff at all levels were surveyed in the form of interviews; more than 3,000 questionnaires on satisfaction with logistics quality were sent out, with a valid return rate of more than 80%.

Annual Staff Congress

During the reporting period, 100 staff representatives from all operating units participated in the congress, and assisted in collecting more than 140 opinions from all staff.

Health Care

C&D always puts the employees' health and safety in the first place. We pay supplemental commercial insurance for each employee when they join the company. The insured types include Group Critical Illness Insurance, Group Term Life Insurance, Sickness Death Liability Insurance, Group Accident Insurance, Additional Accidental Group Medical Insurance, Group Inpatient Allowance Insurance, Supplemental Outpatient Medical Insurance and Supplemental Inpatient Medical Insurance, which are all at the company's expense. At the same time, we conduct annual employee physical examinations and organize offline report interpretation and on-site consultation.

Our trade union federation has also handled mutual medical assistance for all trade union members in Xiamen for many years. In 2021, the handling rate of all subordinate grass-roots trade unions reached 100%. In addition, during the reporting period, we helped two colleagues who were unexpectedly in trouble to apply for assistance. A total amount of RMB 43,418.68 was obtained for solving their urgent needs.

Since the occurrence of COVID-19, C&D has carried out special inspections and daily health condition supervision, etc. at the first time according to the changes of the epidemic and the deployment from superior, and actively responded to the recurrence of the epidemic. During the reporting period, C&D's safety production leading team has carried out various epidemic prevention inspections for a total of 12 times. During August to December 2021, when there were two major recurrences of the epidemic in Xiamen, we organized 5 full-scale nucleic acid tests for employees in our building, covering more than 10,000 person-time. At the same time, dynamic control was carried out on the staff quarantined for close contact and sub-close contact during the epidemic. The quarantine situation was updated daily and reported to superior timely to ensure the supervision and emergency handling of all employees' health status.

Since 2020, Lianfa Group has been publishing a series of "Physical Examination Tips" articles on the "Micro Lianfa" platform.



Prosperous Life

C&D hopes to make work full of motivation and make life full of warmth through colorful and beneficial cultural activities.



C&D has 7 employee clubs under trade union federation. The total number of members in each club exceeds 500. More than 200 daily trainings and 10 foreign communicating competitions were carried out throughout the year, which greatly enriched the spare time life of employees, and also provided a mutual communication platform for employees from various departments to enhanced cohesion.



Xiamen International Marathon is known as the marathon with the most beautiful course in China. Our employees also have a good tradition of participating in the marathon, and the "marathon spirit" also fits perfectly with our employees' traits of continuous development, pursuit of excellence and aggressiveness. In 2021, more than 20 employees participated in the full marathon and more than 50 employees participated in the half marathon, with a completion rate of nearly 90%.



C&D's youth art troupe and choir participated in the "July 1st Commendation Conference" of Xiamen SASAC. They expressed their sincere feelings for the 100th anniversary of the Party by songs.



C&D Real Estate organized "Fitness for All, Health for All" activity. Among them, the third physical exercise pentathlon was held in 85 places with more than 9,300 person-time participants. The fourth "Light Feather Flying" badminton tournament was held 11 times, covering 18 independent unions.

Care for the Ecology, Seek Sustainable Development

- Tackling Climate Change
- Optimizing Resource Utilization
- Reducing Environmental Impact
- Opportunities in Clean Tech



Tackling Climate Change

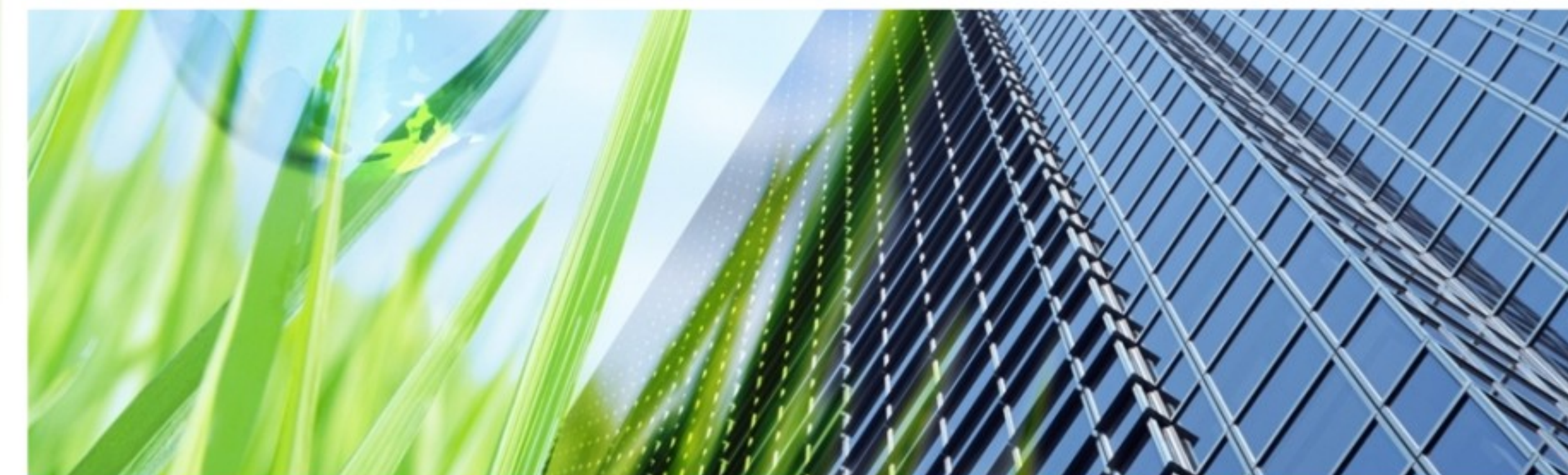
Climate change is having a non-negligible impact on countries, cities and companies. C&D has recognized that enhancing the climate resilience of our supply chain business and real estate business, and promoting the low-carbon transformation of related businesses play an important role in our sustainable development.



C&D’s Identification and Response to Climate Change Risk

Risk sources		Risk descriptions	Responses
Transformation risks	Policies and laws	<ul style="list-style-type: none"> The Ministry of Ecology and Environment established the Department of Climate Change to actively promote the construction of climate change policies and laws Legal documents and supporting system for the construction of carbon emission rights trading system The Ministry of Ecology and Environment issued and implemented the "Measures for the Management of Carbon Emission Rights Trading (Trial)", and launched the national carbon emission trading system The government proposed to reach carbon peaking by 2030 and carbon neutrality by 2060 	<ul style="list-style-type: none"> Actively explore related business opportunities
	Technology	<ul style="list-style-type: none"> Judge the characteristics and adaptability of new technologies and processes, and eliminate outdated processes and equipment may lead to increased costs for enterprises Low overall operating efficiency of the facility 	<ul style="list-style-type: none"> Eliminate outdated old equipment and processes, and iteratively update in a timely manner Use new processes and technologies to increase efficiency, such as the promotion of aluminum film climbing frames and prefabricated buildings, etc.
	Reputation	<ul style="list-style-type: none"> The grow of GHG emissions as the company’s business grow 	<ul style="list-style-type: none"> Establish a statistical mechanism for GHG emissions, and compare the trends by year
Physical risks		<ul style="list-style-type: none"> The global warming effect has caused an increase in extreme weather in local areas, such as typhoons, rainstorms, hail, etc., which may have a potential impact on external facilities, such as company offices and warehouses 	<ul style="list-style-type: none"> Continuous improvement of emergency response system

In response to the physical risks of climate change that may occur, we have formulated working documents such as "Emergency Response Plan", "Typhoon and Flood Prevention Plan", and "Earthquake Emergency Plan", and organized subsidiaries to carry out self-examination and emergency drills for disaster risks such as typhoon, rainstorm, flash flood, landslide, mudslides, striving to minimize the impact of extreme weather on the normal operation of the company, as well as on the health and safety of customers.



In the supply chain
business segment:

- C&D will conduct on-site inspection when selecting logistics suppliers and make comprehensive consideration of their logistics service capacity and other conditions, and avoid choosing old warehouses to prevent unnecessary cargo damage due to aging of warehouses. When bad weather such as typhoon and rainstorm is forecasted, we will promptly remind the warehouse to take precautionary measures and contact the insurance company for claims in the first instance after the occurrence of an accident.



In the real estate
business segment:

- Improve the emergency mechanism: Once receiving the warning information, each project of C&D Real Estate will reinforce the facilities and equipment in advance, check the project emergency facilities to ensure normal function, equip sufficient emergency materials, transfer personnel to safe areas and stop all engineering activities. After the strong convective weather, we will strengthen the investigation of on-site safety risks, and then carry out orderly production after ensuring safety.
- Coping with water accumulation and leakage caused by typhoon and rainstorms: C&D Real Estate has taken relevant measures in both design and construction stages to improve its ability to cope with extreme weather such as typhoon and rainstorms in terms of prevention and drainage aspects.
- Coping with extreme cold weather: C&D Real Estate has formulated standards for thermal insulation of external walls, design standards for doors and windows, and strengthened joint thermal insulation treatment to avoid local cold bridges, improve thermal performance of buildings, and enhance living comfort.



Optimizing Resource Utilization

C&D strictly complies with relevant laws, regulations and rules such as the "Environmental Protection Law of the People's Republic of China" and the "Energy Conservation Law of the People's Republic of China", and formulates relevant internal systems. While continuing to promote the upgrading of energy consumption management in office buildings and encouraging employees to work and travel green, C&D also fully explores the potential for resource and energy use efficiency improvement in the supply chain and real estate business categories.

Energy & resource type	Unit	Supply chain business	Real estate business	Total
Electricity	kWh	8,271,246.23	2,363,537.67	10,634,783.91
Gasoline	L	189,372.24	—	189,372.24
Diesel	L	10,131.51	—	10,131.51
LPG	m ³	—	3.84	3.84
Natural gas	m ³	—	3,158.10	3,158.10
Heat	GJ	2,134.69	—	2,134.69
Municipal water	m ³	110,453.55	511,315.88	621,769.43
Comprehensive energy consumption	Ton of standard coal	1,305.92	298.13	1,604.05
Energy consumption density	kg of standard coal / million revenue (RMB)	—	—	2.27

- Notes: 1. The statistics of real estate business only cover Xiamen Zhaoconglong Real Estate Development Company Limited, Suzhou Zhaoyue Real Estate Development Company Limited, Taicang Jiancang Real Estate Development Company Limited, Guangzhou Jiansui Real Estate Development Company Limited, and Putian Zhaoxi Real Estate Company Limited under C&D Real Estate.
2. The comprehensive energy consumption is calculated in ton of standard coal, and its calculation method refers to the National Standard of the People's Republic of China "GB/T 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption".

C&D Improves Resource Utilization in Supply Chain Businesses

Recycling of scrap steel

On the basis of Liaoning Benxi Scrap Processing Center, Baotou, Inner Mongolia and Lanzhou, Gansu processing centers have been newly established, with a total processing capacity of 1.5 million tons per year, ensuring a stable supply of scrap raw materials for surrounding steel mills such as Benxi Steel, Beitai, and Baotou Steel, helping partners improve the utilization rate of scrap steel recycling resources and promote the green and low-carbon development of the steel industry.

Recycling of scrap aluminum

Taking advantage of the our supply chain channels, in 2021, nearly 35,000 tons of scrap aluminum formwork were recycled in the national market, which will be processed and crushed, de-hybridized and remelted by downstream aluminum processing plants to make recycled aluminum ingots or rods to promote the recycling of aluminum resources.

C&D Real Estate Contributes to "Sponge City" Construction

With the goal of promoting the coordination and unification of urban green space and water ecology, water environment, water resources and water security, C&D Real Estate has carried out research specifically on the pre-construction project planning permit for the sponge city landing program. C&D Real Estate will combine the building and community rainwater collection and utilization, roof greening rate, green sink rate, permeable ground rate, road low impact development index, rainwater runoff pollution and total runoff control, water system blue line delineation and protection, etc. with the community architecture, landscape design program, retain the original topography and landform according to local conditions, give priority to the form of sunken and depressed green space, set rainwater storage facilities, to realize the ecological and structural rationality of plant configuration.

The project will also support the construction of rainwater collection and utilization facilities, and through the disconnection of rainwater pipes and vertical optimization, the rainwater in hardened areas such as roofs and roads will be introduced into sponge facilities, and the comprehensive utilization of rainwater and various water resources will be considered as a whole.

At present, Zhangzhou Company in West China, Shanghai, Wuxi, Suzhou and Nanjing City Company in East China, Fuzhou City Company in Southeast China and Wuhan City Company in Central China have already landed projects that combine sponge city with community construction.



Lianfa Group Improves Energy Efficiency of Operating Projects

The central air-conditioning energy-saving control system of Wuhan Jiudu International Building forms a set of self-optimizing and adaptive intelligent control through advanced intelligent prediction and optimization algorithm model, combined with comprehensive parameter collection and information summarization and experience summation of the controlled process.

The system can automatically select the optimal operating parameters according to the changes in the environment and load, to ensure that the air-conditioning system operates in the best working conditions, to ensure that the air-conditioning system can operate efficiently under any load conditions, and to reduce the main air-conditioning system energy consumption by 5%-10%, reduce water pump energy consumption by 30%-60%, and achieve comprehensive energy saving rate of 15%-25%.



Reducing Environmental Impact

C&D has applied the concept of environmental protection to all aspects of supply chain integrated services such as centralized procurement and distribution, as well as to the real estate development and operation business, and clearly requires that all energy-saving and environmental protection measures comply with the regulations of the superior in the "Safety Production Target Management Responsibility Letter" signed by all levels of the company, which has also regulated that there will be no environmental pollution caused by the discharge of pollutants. During the reporting period, no environmental pollution accident occurred in C&D.

The supply chain logistics and transportation in the course of business operations, which may have a large environmental impact, as well as the construction of real estate projects, are outsourced to third-party suppliers by C&D. In response to the discharge of non-hazardous waste that may be generated in daily office operations, we actively advocate employees to classify waste by posting environmental protection knowledge publicity materials and setting up sorting garbage bins. At the same time, by gradually promoting paperless office and encouraging the use of double-sided printing, we have reduced the generation of non-hazardous waste from the root cause. For the small amount of hazardous waste generated from business operations, such as waste engine oil and waste car paint, we uniformly hand it over to qualified third parties for recycling.

Green building can save resources to the greatest extent, reduce pollution, provide healthy, comfortable and efficient space for people, and coexist with nature in the whole life cycle of the building. The real estate business of C&D takes "safety and durability, health and comfort, convenience of life, resource saving and environmental liveability" as its architectural concept, and follows the "Evaluation Standard for Green Building", "Design Standard for Energy Efficiency of Public Buildings", "Code for Green Design of Civil Buildings Green" and other standards of China, as well as local standards, to actively promote green building practices.

Green Building Certification of C&D Real Estate

C&D International projects list				Green building certification	
Region	City	Plot name	Building name	Green building certification level	Green building certification time
East China	Shanghai	Jinshan New Town JSC1-0401 Unit-01-01 plot project	Jinyuewan	Two-star level	2021/05/01
Central China	Chongqing	Chongqing Caijia 113 plot	Hexi	Basic level	2021/06/30

C&D Real Estate Reduces the Environmental Impact of Projects under Construction

Construction waste reduction and disposal

- The material processing should be factoryize as much as possible, we also encourage fixed-length processing, so as to reduce the material loss and waste during the construction process, and at the same time greatly reduce the generation of construction waste.
- The project is required to set up a closed garbage room, a fixed area classification setting, and a pilot application of a centralized garbage processor to reduce the secondary pollution of garbage to the environment.

Sewage treatment

- The drainage system adopts the design of rain and sewage diversion. After the construction domestic sewage passes through the septic tank, the cleaning water of the automobile equipment will be discharged into the sewage pipe network after reaching the standard after oil separation and precipitation.
- Promote the reclaimed water reuse system. After rainwater is collected and filtered by dust and sand, it can be recycled for the second time. It is used for washing vehicles and roads, and also for watering green plants. It can control road dust and reduce the consumption of water resources.

Dust control

- The construction site of the project is under closed management, and the principle of full coverage of bare soil is implemented in the site. A perfect "dynamic and static combination" sprinkler system is also set up. For example, sprays are installed on the outer side of the enclosure, the outer frame and the tower crane position to achieve multi-level spray dust reduction, and for the dust-prone areas in the field, fog cannons and sprinklers are required to perform dynamic circulation to enhance dust reduction.
- At the same time, the dust monitoring system and spray dust suppression system are vigorously promoted on the project site. When the dust exceeds the standard, the wall spray, tower crane spray, external frame spray and spray gun are automatically activated to ensure that the on-site dust can be effectively controlled.

Noise control

- Noise reduction of construction equipment, establishment of a construction site management supervision system, strict control of night-time construction, and construction noise shall not exceed the environmental noise standards of the region.

Lianfa Group Focuses on the Harmonious Coexistence of Building Projects and Natural Ecology

- The Fuzhou Zhenrongfu Project carried out in-situ protection of several ancient banyan trees within the red line of the site, and integrated the ancient banyan trees into the community environment in combination with landscape design to establish an interactive link between banyan tree protection and community life.



- The Ezhou Hongshu Dongfang Project (hereinafter referred to as "Hongshu Dongfang") is located in the Honglian Lake Ecological Zone in Ezhou, Wuhan, with dense biological forests and waterways. The oriental landscape design of Hongshu Dongfang extracts elements from the rhythm of flowing water and lotus, adopts a soft and natural curve form, and takes the lake dwelling life and the state of returning to the heart as the design concept. The project created scenes such as cloud-topped lotus umbrella, shallow water under the forest, jungle adventure, secret waters, the ring of true love, the auditorium of love, the firefly forest and the star-picking wooden house, etc., through the integration with the natural environment, showing the comfort and freedom lake life of the Honglian Lake.
- Hongshu Dongfang Project won the "2021 National Habitat Annual Top Ten Landscape Design Award / 12th Yuanye Cup Municipal Landscape and Cultural Tourism Category - Silver Award".



Type of waste		Unit	Supply chain business	Real estate business	Total
Non-hazardous waste	Kitchen waste	Ton	360.00	—	360.00
	Paper waste	Ton	92.43	8.93	101.36
Hazardous waste	Electronic waste	Ton	—	2.62	2.62
	Oil waste	Ton	633.00	—	633.00
	Automotive coatings waste	Ton	19.00	—	19.00

Notes: 1. Besides of electronic waste, the statistics of real estate business only cover Xiamen Zhaoconglong Real Estate Development Company Limited, Suzhou Zhaoyue Real Estate Development Company Limited, Taicang Jianchang Real Estate Development Company Limited, Guangzhou Jiansui Real Estate Development Company Limited, and Putian Zhaoxi Real Estate Company Limited under C&D Real Estate.

Greenhouse gas emissions	Unit	Supply chain business	Real estate business	Total
Scope 1	tCO ₂ e	448.97	6.83	455.81
Scope 2	tCO ₂ e	6,059.07	1,615.15	7,674.22
Total	tCO ₂ e	6,508.04	1,621.98	8,130.03

Notes: 1. The statistics of real estate business only cover Xiamen Zhaoconglong Real Estate Development Company Limited, Suzhou Zhaoyue Real Estate Development Company Limited, Taicang Jianchang Real Estate Development Company Limited, Guangzhou Jiansui Real Estate Development Company Limited, and Putian Zhaoxi Real Estate Company Limited under C&D Real Estate.

2. Direct greenhouse gas emissions (Scope 1) are from the use of gasoline, diesel, natural gas and LPG. The calculation of direct greenhouse gas emissions refers to the "Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines - Other Industries (Trial)" issued by the National Development and Reform Commission of the People's Republic of China.

3. Indirect greenhouse gas emissions (Scope 2) are from the use of purchased electricity and heat. The calculation of C&D's domestic indirect greenhouse gas emissions refers to the "Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines - Other Industries (Trial)" issued by the National Development and Reform Commission of the People's Republic of China, and the calculation of overseas indirect greenhouse gas emissions refers to "EIB Project Carbon Footprint Methodologies".

Opportunities in Clean Tech



In December 2021, C&D Clean Energy officially started the construction of its first distributed photovoltaic power plant. The project is located in the China (Shanghai) Pilot Free Trade Zone and will be built on the roof of the company's logistics industrial park, with a total area of about 60,000 square meters and an installed capacity of 6 MW. The clean electricity generated by the project will be supplied to the logistics center of C&D Logistics (Shanghai).



In response to the national "carbon peaking and carbon neutrality" strategy, C&D entered the distributed photovoltaic power plant development and operation industry in 2021, and has promoted the construction of distributed photovoltaic power plants on the rooftops of the company's own operation sites such as Shanghai Logistics Center and external customers' operation sites to reduce carbon emissions in the operation process.

Meanwhile, C&D also set up a joint venture company Nanjing C&D Clean Energy Co., Ltd. (hereinafter referred to as "C&D Clean Energy") with Qingyuan Technology (Xiamen) Co., Ltd. which is mainly engaged in the production of photovoltaic mounting and photovoltaic power plant investment business, to specialize in the investment and operation of distributed photovoltaic power plants, laying the foundation for future participation in carbon emissions trading.

C&D Auto, a subsidiary of C&D, is also actively exploring energy storage related business segments. In 2021, C&D Auto set up a joint venture with Ningpu Times Battery Technology Co., Ltd, which mainly sells power batteries and provides clean energy storage solutions, to operate a new energy commercial vehicle ecological service business, including the sale of electric heavy-duty trucks and the operation of exchange stations, and will further explore new energy commercial vehicle business.

Serve the Society, Energize the Community

- Fight against the Epidemic
- Community Contribution



Fight against the Epidemic

In September 2021, a new round of COVID-19 epidemic spread to Xiamen, C&D actively responded to the call, formulated various epidemic prevention and control strategies. The company participated in the fight against the epidemic, practiced the responsibility and commitment of state-owned enterprises with practical actions, and interpreted the determination and will of "Work as One, Fight against the Epidemic Together" with practical and hard work.



Fight against the Epidemic - Be a Pioneer

During the COVID-19 outbreak in Xiamen in 2021, The company's real estate subsidiary actively responds to the instructions of the municipal government and Xiamen Construction Bureau to undertake the renovation and service work of four quarantine sites in Xiamen. The company has completed the renovation and arrangement of more than 12,000 sets of isolation rooms within five days and undertaking the logistical support work for more than 7,000 close/ secondary close contacts with high quality, achieving "Zero infection and zero accident". The Company's real estate subsidiaries' courageous efforts in fighting against the COVID-19 epidemic were reported by authoritative media such as People's Daily and Xiamen Daily.



Facing the onslaught of the new wave of the COVID-19 epidemic, more than 4,000 employees of C&D Property Management Group Limited (hereinafter referred to as "C&D Property") worked on the front line of epidemic prevention and control, building a tight line of health defense for the general public. The company actively formulated prevention and control plans, and carried out joint prevention and control with the streets and communities to strengthen body temperature measurement and disinfection work, and disinfected nearly 25.7 million square meters every day. At the same time, C&D Property provided 24-hour online service to respond to owners' requests for help and inquiries at the first time. During the round of COVID-19 epidemic, C&D Property stayed in the three projects located in medium and high risk areas, cooperated with the streets to carry out epidemic prevention publicity and nucleic acid testing, and engaging in living supplies procurement. For the first project in Xiamen that was put into use as closure control, C&D Property completed the allocation of 858 sets of hotel-style daily necessities in just 24 hours.



The company has completed the renovation and arrangement of more than **12,000** sets of isolation rooms

C&D Property disinfected nearly **25.7** million square meters every day

C&D Property completed the allocation of **858** sets of hotel-style daily necessities in just 24 hours

Support Community Epidemic Prevention and Control

During the COVID-19 epidemic in Xiamen in September 2021, the Party Committee of C&D combined the work of "I do practical work for the public" and precise "double reporting", led the cadres, staff and Party members to volunteer for epidemic prevention and control, and fully supported the epidemic prevention and control in the community and co-construction units. We sent more than 10 batches of 122 volunteers to support the nucleic acid testing work in Jinjiting Community, Qianpu North District and Hong'ai Hospital. Another 56 Party members and cadres took the initiative to participate in the epidemic prevention and control volunteer services in their communities.

In addition, Xiamen C&D Auto Co., Ltd., Xiamen C&D International Wine Group Co., Ltd. and Xiamen C&D Light Industry Co., Ltd. raised funds and materials through various channels and donated masks, protective clothing, bottled water and daily necessities to areas where the epidemic was more serious, such as Xianyou in Putian and Wutu in Tongan, with a total amount of more than 100,000 yuan.



Community Contribution

C&D believes that the progress of enterprises and the development of society are closely linked. While maintaining high-quality development, we devote to social development, playing an active role in preserving traditional cultural heritage, pairing urban and rural areas and organizing helping activities, etc. We also actively support and participate in the development of social welfare undertakings, devoting ourselves to giving back to society with practical actions and promoting the positive interaction between enterprises and society.

During the reporting period, we actively fulfilled social responsibility and carried out various volunteer services, with a total amount of 6,815 volunteers and 3,353 service hours.



In addition, in order to further consolidate the results of poverty alleviation, we actively responded to the national call to participate in the procurement of products from Ningxia and other regions. During the reporting period, the number of participated employees were 5,352, and the total procurement amount was RMB 1,862,627.42.

Total Amount of

6,815 Volunteers

Service

3,353 Hours

consolidate the results of poverty alleviation

the number of participation

5,352 Employees

the total procurement amount

RMB **1,862,627.42**

Promote Traditional Architectural Culture

C&D Real Estate is committed to contributing to the preservation of traditional culture. We popularize the knowledge of ancient architecture to the public in the form of graphic and video by media.

- We created an original column called "Jian Shi Xin Yu" on our official Tencent microblogging platform to promote traditional Chinese architecture and culture. The project published one article per month, with 12 articles in total throughout the year, to popularize the knowledge of ancient architecture through a combination of graphics and text.
- We created an original column called "Shi Wu Zhi" on Tencent video platform, and use high quality video introduction to popularize the knowledge of ancient architecture and interpret the traditional Chinese architecture culture. Meanwhile, we also start to compose the poems of the ancients into songs with original music and integrate them into the new Chinese architecture elements of C&D Real Estate, and present them with original video shooting and production for brand promotion.



Volunteers of Party Members Go into the Community to Carry out Care and Sympathy

C&D's party members' volunteer service team launched a co-build action with Xiamen's largest community, Jinjiting Community in 2018. Based on the characteristics of the community with more empty nesters, the volunteer team carried out pairing activities with the goal of helping the elderly and the disabled, and paired party branches at all levels with 32 families in the community, including empty nesters, disabled people and families in difficulty.

In the past three years, our volunteers do not go through "formalities", do not make a "show", and really go to the homes subjects as if they were "relatives". The volunteers give warmth to the elderly by helping with household chores, communication and companionship, and other sincere actions.

In 2021, we carried out 8 volunteer service activities, such as "New Year's greeting", "Dragon Boat Festival activities" and "12.5 International Volunteer Day theme activities", with 224 participants.

In addition, according to the deployment and requirements of "Love Xiamen" of the government, C&D has organized party leaders and grass-roots branches to carry out one-to-one pairing activities with families in need in Tong'an District and Huli District of Xiamen since 2020, and carried out door-to-door condolence activities during important holidays such as Spring Festival and July 1. A total of 78 families have been paired with "Love Xiamen" to send warmth and love to nearly 78 families.



The volunteer service team of the Youth League Committee "paired" with Xiamen Ding'an Primary School

In the atmosphere of supporting children with love and care, how to help children of migrant workers adapt to their new life and grow up healthily and happily has aroused widespread concern. As early as 2013, C&D's Youth League Committee has started a friendly cooperation with Ding'an Primary School, a school for children of migrant workers, and for 9 years, with "warmth" education as the core concept, we have been carrying out many volunteer services for students of Ding'an Primary School, providing not only material support but also more spiritual support to the children.

Let the children keep their self-confidence. Combining with the actual needs of the children in Ding'an Primary School, C&D's volunteer team regularly goes to the school to carry out themed class activities, taking the children to learn illustration and baking, playing fun sports with them, and giving the children warmth and companionship through various forms of themed class activities, so that the children can grow up with care.

Expanding horizons for the children. In order to let the children see a broader world, C&D's volunteer service team actively plans thematic activities, taking the children to Xiamen Fire Science and Technology Museum to learn fire safety knowledge; carrying out patriotic education during the Party history learning and education activities; inviting young employees who participated in the front-line work of epidemic prevention and control to deliver thematic speeches after the outbreak of the COVID-19, etc., so that the children can grow up in learning.

Teach the children to be grateful. C&D's volunteer service team, through organizing "a different kind of June 1 activity", leading the children of Ding'an Primary School to visit the elderly in the nursing home, organizing children to participate in activities like "caring for poor children in the west", the "green run" marathon. The children are able to feel the warm energy between loving and being loved, and gradually experienced the true meaning of volunteerism.



the total number of students and teachers served exceeded

5,500 Person-time

Times of Service

580 Hours

Times of Service

200 Times

4 volunteer service activities were carried out in 2021 with

240 Person-time participants

The Volunteer Service Team of the Youth League Committee and Ningxia Longde County Youth League Committee Signed a Joint Construction Agreement

The volunteer service team of C&D's Youth League Committee has always adhered to the public welfare spirit of dedication and love over the years, and carried out various volunteer services by combining the advantages of C&D youth. On the eve of June 1, 2021, the deputy secretary of C&D Youth League Committee and youth representatives went to Longde, Ningxia, signed a friendship agreement with Longde County Youth League Committee, delivered C&D customized shoes to the children, and launched a video of "Deep Love from the Mountain and the Sea", which made the youth public welfare brand of C&D Youth League Committee "Love and Future" more warm and deeper.



Dredging Volunteer Activity

In July 2021, Liuzhou River experienced the first round of flood this year, with the water level reaching 83.11 meters. As the water level slowly dropped below the warning line, party members, league members and staff volunteers of Lianfa Group Liuzhou Company moved together to form a "dredging team" to go to the dredging battlefield to send their condolences for the flooding, and strive to return a clean and tidy urban environment to the public in the shortest possible time.



Spring Buds Scholarship Program

In August 2021, Lianfa Group donated RMB 1 million to the Lianfa Love Fund, which was jointly established with Xiamen Women and Children Development Foundation. By the end of the reporting period, Lianfa Group has continuous donated a total of 6.4 million to this fund for eight years. The fund is mainly used for Spring Buds support activities, including the donation for building libraries, reading parks, open book galleries, bird's nest bookstores, reading corner, and the adoption of Red Cross love small school bags, etc. The fund aims to help students from poor families successfully complete their studies and inspire more students to strive towards their ideals.



RMB 1 Million
to the Lianfa Love Fund

RMB 6.4 Million
to this fund for eight years

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ADD: 29/F,C&D International Building, No.1699 Huandao East Road, Xiamen, Fujian, 361008, China

Fax: +86-592-2592459

Tel: +86-592-2132319

Web: <http://www.chinacnd.com/en>
