

2024 | Xiamen C&D Inc.

Sustainability Report

Together Go Beyond

C&D

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C&D | LiFT
乐普得智联

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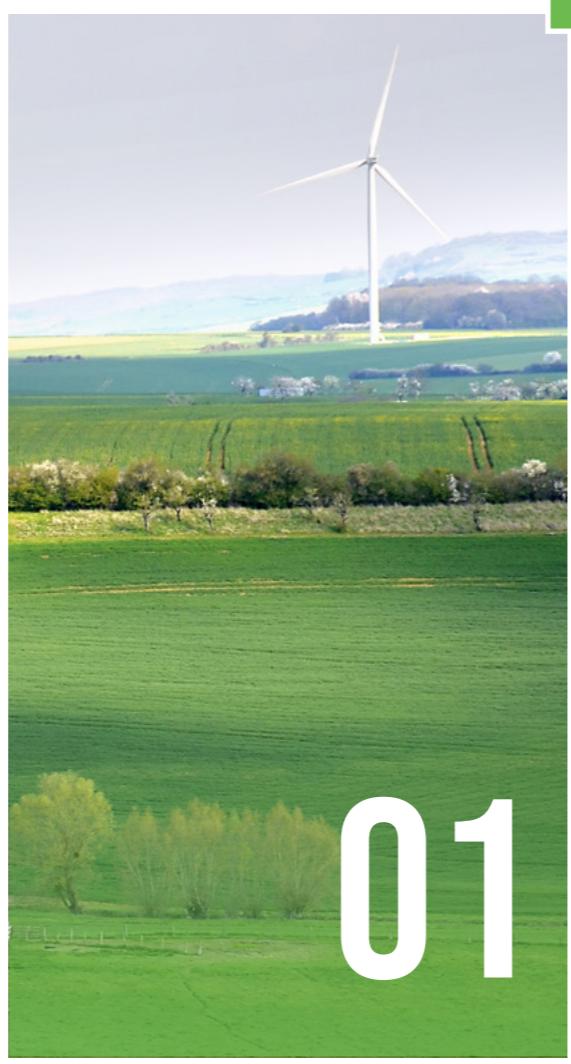
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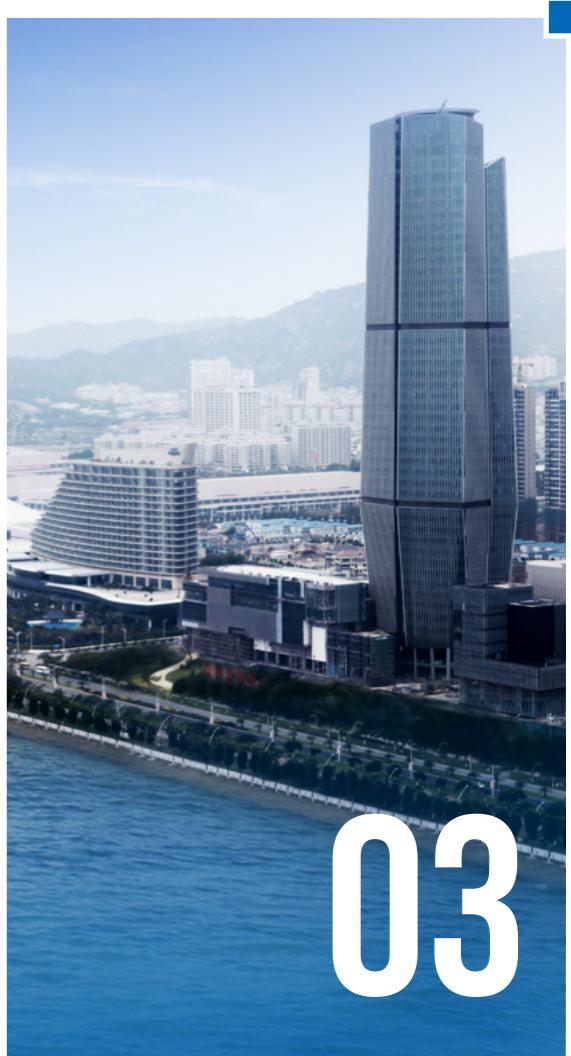


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About This Report

This is the 2024 Sustainability Report ("this report") released by Xiamen C&D Inc. (referred to as "C&D Inc." or "We"). The purpose of this report is to provide stakeholders with an overview of C&D Inc.'s management efforts in environmental, social, and governance aspects in 2024, as well as the initiatives and achievements towards advancing the United Nations Sustainable Development Goals.

Reference Guidelines



This report is prepared in accordance with the Sustainability Disclosure Standards for Enterprise - General Requirements (Trial), jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission. It also follows the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) and the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports issued by the Shanghai Stock Exchange, the Sustainability Accounting Standards Board (SASB) Standards, the Reference of ESG Indicators System for ESG Reports of Listed Chinese Central State-Owned Enterprises issued by the SASAC Research Center, the European Sustainability Reporting Standards (ESRS) released by the European Commission, and the two IFRS Sustainability Disclosure Standards (ISDS) issued by the International Sustainability Standards Board (ISSB). Additionally, this report incorporates disclosure requirements aligned with the United Nations Sustainable Development Goals (SDGs).

Reporting Scope



The reporting period is between January 1, 2024, and December 31, 2024, and some parts of the report may be beyond the aforementioned scope considering the continuity and comparability of disclosures. The economic, environmental, and social data disclosed in this report includes all enterprises within the scope of the consolidated statement of Xiamen C&D Inc.

Explanatory Note



Abbreviation

Full Name

Abbreviation	Full Name
C&D Inc. or We	Xiamen C&D Inc.

C&D Real Estate	C&D Real Estate Corp., Ltd., subsidiary of C&D Inc.
Lianfa Group	Lianfa Group Co., Ltd., subsidiary of C&D Inc.
C&D Property	C&D Property Management Group Co., Ltd. (Stock Code: 2156.HK), subsidiary of C&D Real Estate.
C&D Logistics	C&D Logistics Group Co., Ltd., wholly-owned subsidiary of C&D Inc.
Paper & Pulp Group	One of the six major specialized groups of C&D Inc., including Xiamen C&D Paper & Pulp Co., Ltd.
Agricultural Products Group	One of the six major specialized groups of C&D Inc., including Xiamen C&D Commodities Limited.
Steel & Iron Group	One of the six major specialized groups of C&D Inc., including Xiamen C&D Material Co., Ltd., Xiamen C&D Metals Co., Ltd., C&D (Shanghai) Co., Ltd., and Cheongfui (Xiamen) Co., Ltd.
Universal Pulp and Paper	Universal Pulp and Paper (Shandong) Co., Ltd.
C&D Clean Energy	Nanjing C&D Clean Energy Co., Ltd., wholly-owned subsidiary of C&D Inc.
MACALLINE	Red Star Macalline Group Corporation Ltd. (Stock Code: 601828.SH)
C&D Emerging Energy	Xiamen C&D Emerging Energy Co., Ltd., wholly-owned subsidiary of C&D Inc.
C&D Hitek	Xiamen C&D Hitek Co., Ltd., wholly-owned subsidiary of C&D Inc.
Xiangguang Copper	Xiangguang Copper Co., Ltd., subsidiary of C&D Real Estate.
C&D Commodities	Xiamen C&D Commodities Co., Ltd., wholly-owned subsidiary of C&D Inc.
Green Energy (Shanghai) Technology	Red Star Macalline Green Energy (Shanghai) Technology Co., Ltd. Co., Ltd., wholly-owned subsidiary of MACALLINE.
IPCC	Intergovernmental Panel on Climate Change
IEA	International Energy Agency

Report Availability and Feedback



We released this report in electronic format in both Simplified Chinese and English. In case of any inconsistencies between the Chinese and English versions, the Chinese version shall prevail. The electronic version of the report is available on our official website, www.chinacnd.com, and the Shanghai Stock Exchange website (www.sse.com.cn). We are committed to improving our environmental, social and corporate governance performance, and if you have any comments or suggestions on this report, please get in touch with us at compliance@chinacnd.com.

Message from the Chairman



In 2024, the combined effects of global economic slowdown and the restructuring of geopolitical dynamics continue to unfold, with supply chain security, energy transition, and climate risks becoming key variables in corporate sustainability. As a globally positioned company, we adhere to the brand philosophy of "Together Go Beyond" in alignment with the domestic and international dual circulation strategy. We integrate sustainability into business operations to balance economic performance, social value and ecological sustainability. We are committed to driving the continuous creation of social value in a more efficient way to fulfill our social responsibility.

This year, we have solidified our development direction with enhanced professional expertise, strengthening our inherent "core strength" amid transformation. In supply chain operations, we have consistently reinforced the "LIFT Supply Chain Service" system, supported by the four key elements of logistics, information, finance, and

commercial business. We have enhanced our professional matrix of "Specialized Groups + Emerging Business Divisions," improved platform-based operations and industry collaboration, and built a more resilient and scalable service ecosystem. In real estate operations, we have expanded our value proposition across core business segments including real estate development, urban renewal, commercial management, and property operations, to create a more comprehensive, efficient, and sustainable urban operational capacity.

This year, we have remained committed to the concept of green and low-carbon development, promoting the "greening and renewal" transformation and upgrading of traditional industries. We issued the "Together to a Net Zero Future White Paper" and made a formal pledge to achieve net zero emissions. Focusing on "digital empowerment"

and "green empowerment," we have developed our unique digital platforms, enabling the efficient integration of supply chain resources and fostering new quality productive forces for industrial development. We have continued to innovate in the development of green building materials and sustainable construction products, advancing the full life-cycle management of green and low-carbon buildings. We have proactively integrated into the circular economy model, aiming to enhance resource recycling rates. We have been accelerating the transition to clean, low-carbon energy alternatives for a green energy transformation. Additionally, we have extended our green and low-carbon industry chain services, working with upstream and downstream partners to establish a low-carbon ecosystem.

This year, we have made our development more meaningful while expanding the reach of our responsibilities. We have consistently upheld the goal of "Industrial empowerment for rural revitalization

and joint responsibility in building a better society," and actively fulfilled our social responsibilities as a state-owned enterprise. We have extended the allocation of industrial resources to rural areas, implemented practical measures in consumer support, infrastructure development, and the creation of livable, eco-friendly environments, helping rural areas achieve a profound transformation from resource aggregation to the activation of endogenous momentum. We have continued to implement the "C&D Global Public Welfare Action" initiative, promoting the mutual prosperity and coexistence of enterprises and communities. We have long practiced the charity initiative of "Educational Sponsorships," providing children with equitable and quality educational resources, allowing hope and warmth to accompany their growth. We firmly believe that the long-term value of a company is not only reflected in its business performance, but also in the deep connection it creates, shares, and advances with society.

In this year, we have focused on unlocking individual potential to release the internal driving force for sustainable development. We have integrated the "people-oriented" philosophy into organizational development and continuously enhanced the flexibility and resilience of the organization. We have refined the full-cycle growth path for employees, established a training system that bridges expertise, management, and cross-functional collaboration, and driven both individual potential and organizational value to new heights. We have prioritized employees' mental health and safety, creating an inclusive, fair, and supportive work environment. We have streamlined communication channels, and cultivated efficient dialogue at all levels to stimulate organizational consensus and innovation. We deeply understand that the growth of an organization stems from the sense of accomplishment of its individuals; truly enduring companies must grow alongside their employees. We have recognized that the vitality of an organization stems from the sense of accomplishment of its people

and only by growing together with its employees can a company endure in the long run.

Confronted with a changing external environment, we are neither eager for quick success nor passively waiting. We will keep cultivating in the true industrial environment, refine our direction while advancing with the times. Through "Professionalism" we weather changes, through "Progress Together" we forge ahead, and through the belief in "Go Beyond" we drive relentless innovation of the company and sustainable growth of the industry ecosystem. We work tirelessly to develop C&D Inc. into a world-class enterprise where employees feel engaged, shareholders maintain confidence, customers are satisfied, and society holds in high regard..

Chairman of C&D Inc.
Lin Mao

About C&D Inc.

C&D Inc. is a modern service-oriented enterprise with dual main businesses in supply chain operations and real estate. With the brand philosophy of **“Together Go Beyond”**, we aim to become a leading international supply chain operator and a distinguished real estate developer in China. We are dedicated to being an exceptional enterprise that fosters employee satisfaction, customer delight, and societal respect.

We actively respond to China's "dual circulation" strategy by deepening our "specialization" and "going global" strategies, expanding both domestic and international markets, and building a global supply chain service system to support the development of an efficient and smooth international circulation system. We are deeply engaged in the unified national market, strengthening our presence in East and South China while expanding into central and western regions. To date, we have established 17 platform companies in key cities across the country. Meanwhile, we seize the development opportunities of the Belt and Road Initiative to accelerate international layout and have set up over 50 overseas companies and offices in RCEP member countries, BRICS countries, and countries along the Belt and Road Initiative, including Vietnam, Malaysia, Indonesia, Japan, South Korea, and Brazil. Our overseas workforce includes more than 320 dispatched expatriates and locally employed foreign staff, and we have established business relationships with over 170 countries and regions.



Set up over

50

overseas companies and offices



More than

320

dispatched expatriates and locally employed foreign staff



Established business relationships with over

170

countries and regions



2024 Sustainable Development Impact



Total Asset
76,786,723

Ten-thousand RMB



Total social contributions
4,060,339

Ten-thousand RMB



Total environmental protection input
15,090

Ten-thousand RMB



Operating revenue
70,129,610

Ten-thousand RMB



Operating costs
66,009,867

Ten-thousand RMB



Net profit attributable to shareholders of the parent company
294,581

Ten-thousand RMB



Including:

- Total tax payment: 1,596,788 Ten-thousand RMB
- Employee compensation: 1,088,306 Ten-thousand RMB
- Dividends paid to shareholders: 420,802 Ten-thousand RMB
- Interests paid to creditors: 950,368 Ten-thousand RMB
- Social donations: 4,075 Ten-thousand RMB

Total work safety input
3,602

Ten-thousand RMB

Volunteer service hours
12,307

hours



Number of employees
47,422

Employee training hours
1,387,623

hours



GHG emission intensity
212

tCO₂e/hundred-million RMB of operating revenue



Energy intensity
62

tce/hundred-million RMB of operating revenue



2024 Honors and Awards

Awards Related to Economy, Society, and Environment



C&D Inc.

555th

place on 2024 Forbes Global Top 2000

C&D Inc.

"20-Year Growth Model Award for Listed Companies"

presented by National Business Daily

C&D Inc.

"2024 Exemplary Cases of ESG Value among A-share Listed Companies"

by CHINAFUND

C&D Inc.

"2024 Top 100 Best ESG Practices of Chinese Listed Companies"

recognized by Wind

C&D Inc.

"China Top 100 Best Management and Operations Award"

presented by the China Business Top 500 Forum of China Association for Public Companies

C&D Inc.

"2024 Outstanding ESG Practice Cases of Listed Companies"

recognized by China Association for Public Companies

C&D Inc.

"2024 Best ESG Practices Award for Listed Companies"

presented by Easy-board

C&D Inc.

"2024 Excellent Board Practices of Listed Companies"

recognized by China Association for Public Companies

C&D Inc.

"Best Information Disclosure Award"

at the 7th China IR Annual Awards jointly presented by Roadshow China and International Road Show Center

C&D Inc.

"ESG Pioneer Enterprise Award"

presented by Cailianpress.com

C&D Inc.

The "Best Investor Relations Awards"

presented by iFinD

C&D Inc.

"7th Digital Transformation and Innovation Awards 2024"

presented by the Digital Industry Innovation Research Center

C&D Inc.

"Top 100 ESG Golden Bull Award"

presented by China Securities Journal

C&D Inc.

"2024 ESG Development Impact Enterprise"

honored by Hexun.com

Management of Material Matters

As a key step in sustainable development management and information disclosure, we conducted a double materiality assessment of sustainability matters in 2024. Based on the evaluation methods outlined in the Sustainability Disclosure Standards for Enterprise - General Requirements (Trial), jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission. It also follows the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) and the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports issued by the Shanghai Stock Exchange, the European Sustainability Reporting Standards (ESRS) released by the European Commission, and the two IFRS Sustainability Disclosure Standards (ISDS) issued by the International Sustainability Standards Board (ISSB), we carried out the double materiality assessment to identify sustainability matters that have material impact on the stakeholders and on the company's long-term business value.

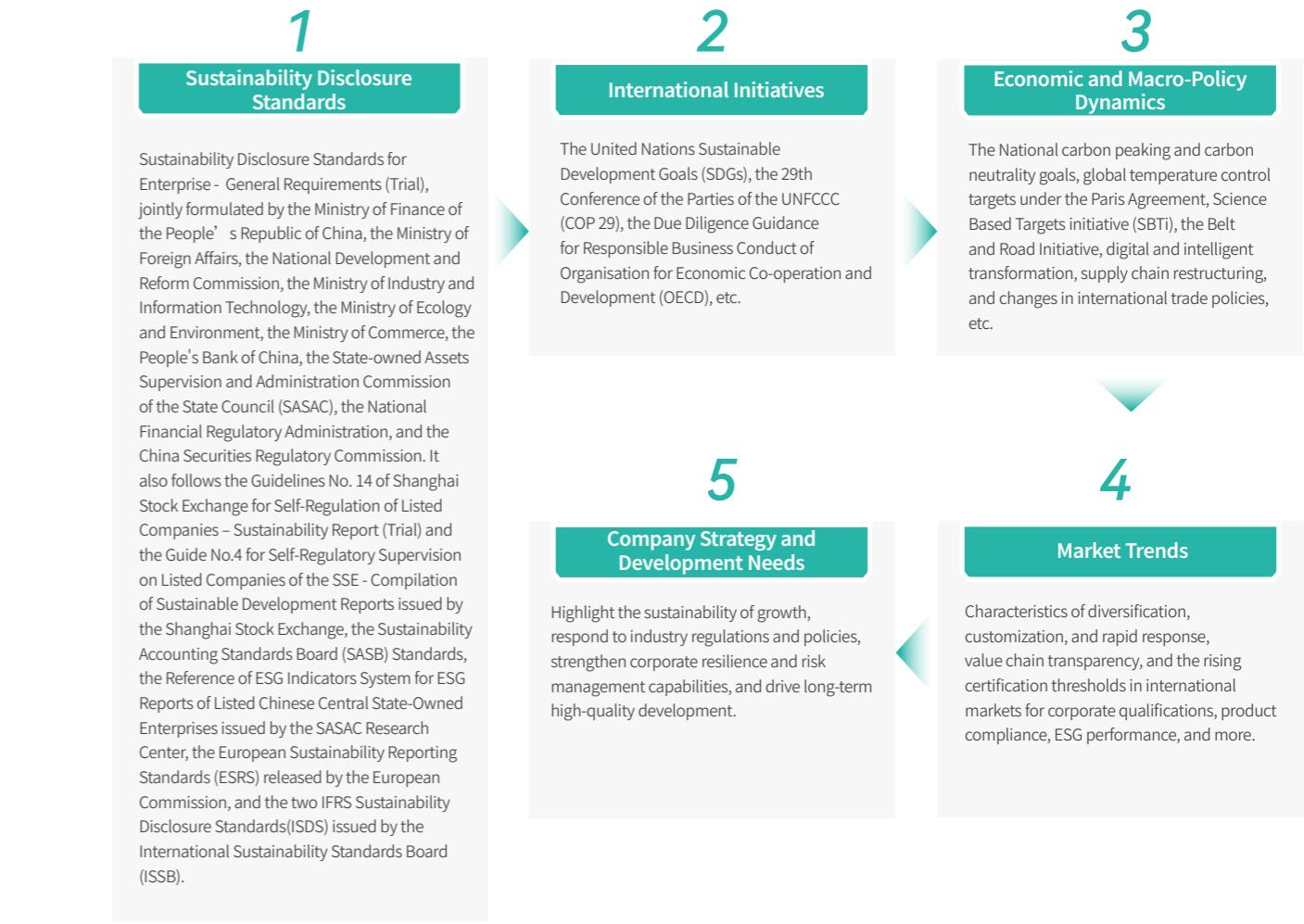
In the materiality assessment, we follow the principle of "double materiality" to identify whether a matter is expected to have a material impact on our business model, operations, and other aspects in the short, medium, and long term (financial materiality), and whether our performance on the matter will have a material impact on the economy, society, and the environment (impact materiality). We gathered multi-dimensional opinions from 130 stakeholders through surveys. Based on the survey results, we systematically identified and selected 9 matters with "double materiality," which are explained in the relevant sections of this report.



Double Materiality Assessment Process

Step 1 Understanding the Context and Identifying Sustainability Matters

We conducted the context analysis by fully considering the selected sustainability disclosure standards, international initiatives, global economic and macro-policy dynamics, market trends, and the company's strategy and development needs. As a result, we identified 30 sustainability matters relevant to the company.

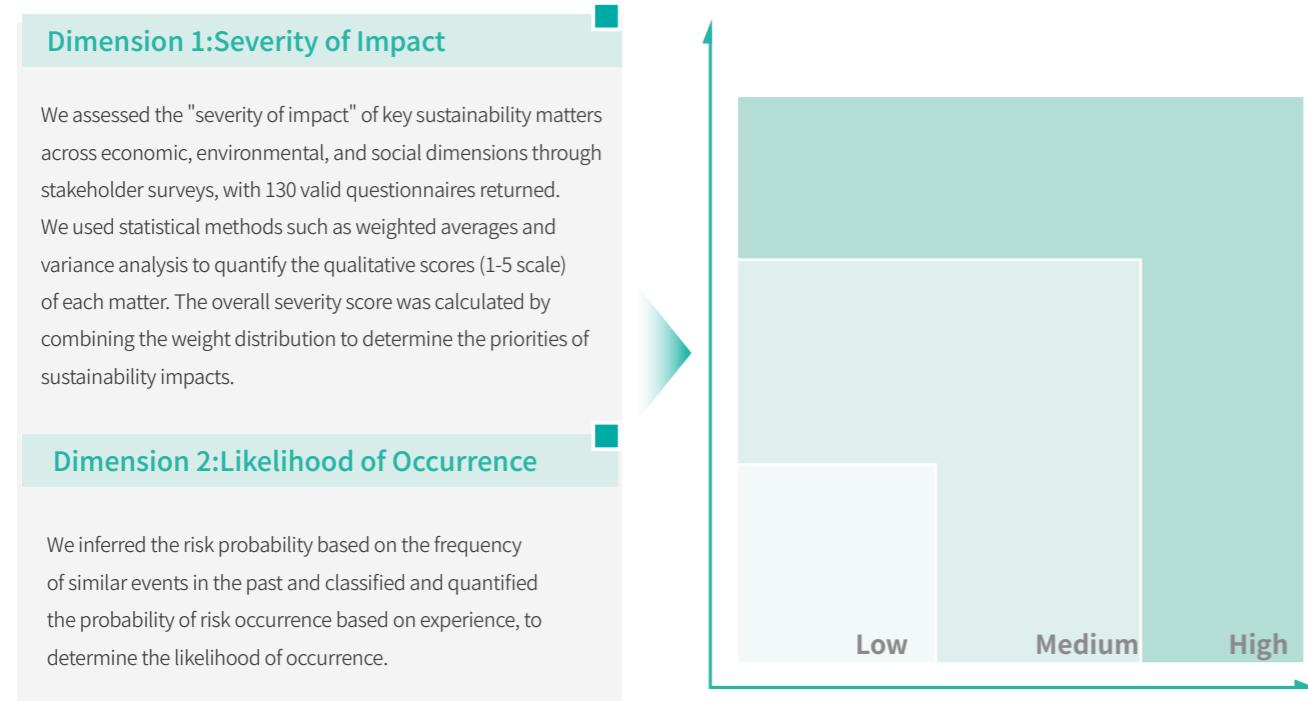


Thirty Potential Material Matters Identified

Dimension	Sustainability Matters	
Environmental	Climate Response Waste Disposal Environmental Compliance Management Usage of Water Resources	Pollutant Discharge Ecosystem and Biodiversity Protection Energy Usage Circular Economy
Social	Rural Revitalization Innovation-driven Development Responsible Sourcing Equal Treatment to SMEs Data Security and Customer Privacy Protection Equal Employment Employee Communication Employee Compensation and Benefits	Social Contributions Technology Ethics Supply Chain Security Safety and Quality of Products and Services Supporting Industry Development Human Rights Protection Employee Development and Training Occupational Health and Safety
Governance	Due Diligence Risk and Compliance Management Anti-unfair Competition	Communications with Stakeholders Anti-Commercial Bribery and Anti-Corruption Tax Compliance

Step 2-1 Impact Materiality Assessment

We assess the impact materiality and financial materiality of each matter based on two dimensions: the severity and the likelihood of occurrence.

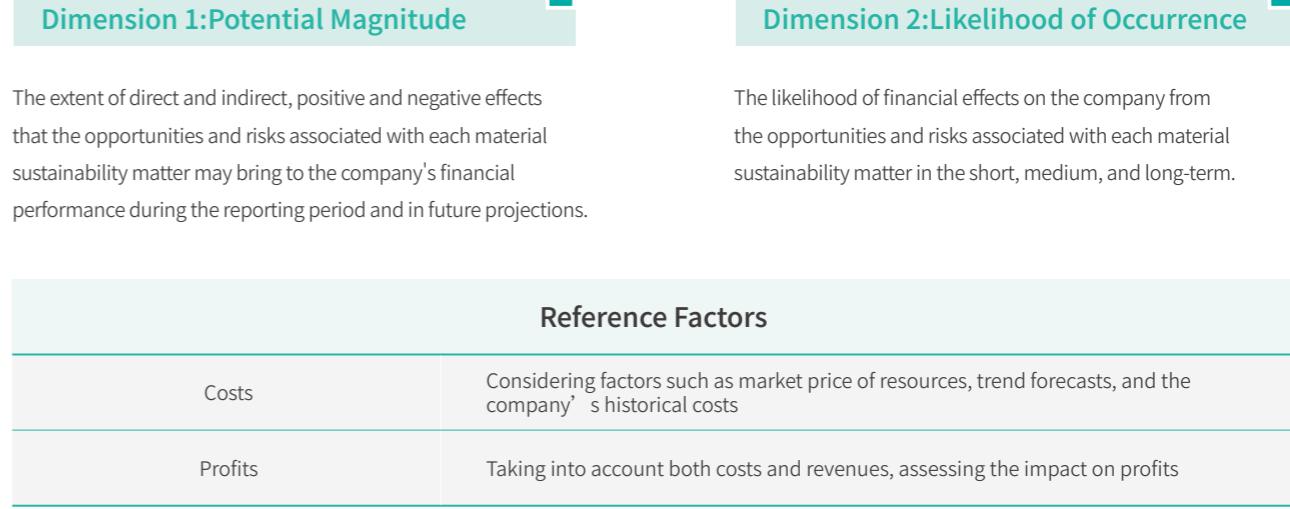


Impact Materiality Assessment Outcomes

Impact Materiality: Low	Impact Materiality: Medium	Impact Materiality: High
<ul style="list-style-type: none"> Rural Revitalization Energy Usage Usage of Water Resources Communications with Stakeholders Ati-unfair Competition Tax Compliance Technology Ethics Ecosystem and Biodiversity Protection 	<ul style="list-style-type: none"> Employee Compensation and Benefits Social Contributions Employee Communication Occupational Health and Safety Human Rights Protection Equal Employment Supporting Industry Development Waste Disposal Due Diligence Pollutant Discharge Innovation-driven Development Data Security and Customer Privacy Protection Equal Treatment to SMEs 	<ul style="list-style-type: none"> Environmental Compliance Management Risk and Compliance Management Safety and Quality of Products and Services Responsible Sourcing Climate Response Circular Economy Supply Chain Security Anti-Commercial Bribery and Anti-Corruption Employee Development and Training

Step 2-2 Financial Materiality Assessment

We assess the financial materiality of each matter based on two dimensions: the potential magnitude and the likelihood of occurrence.



Financial Materiality Assessment Outcomes

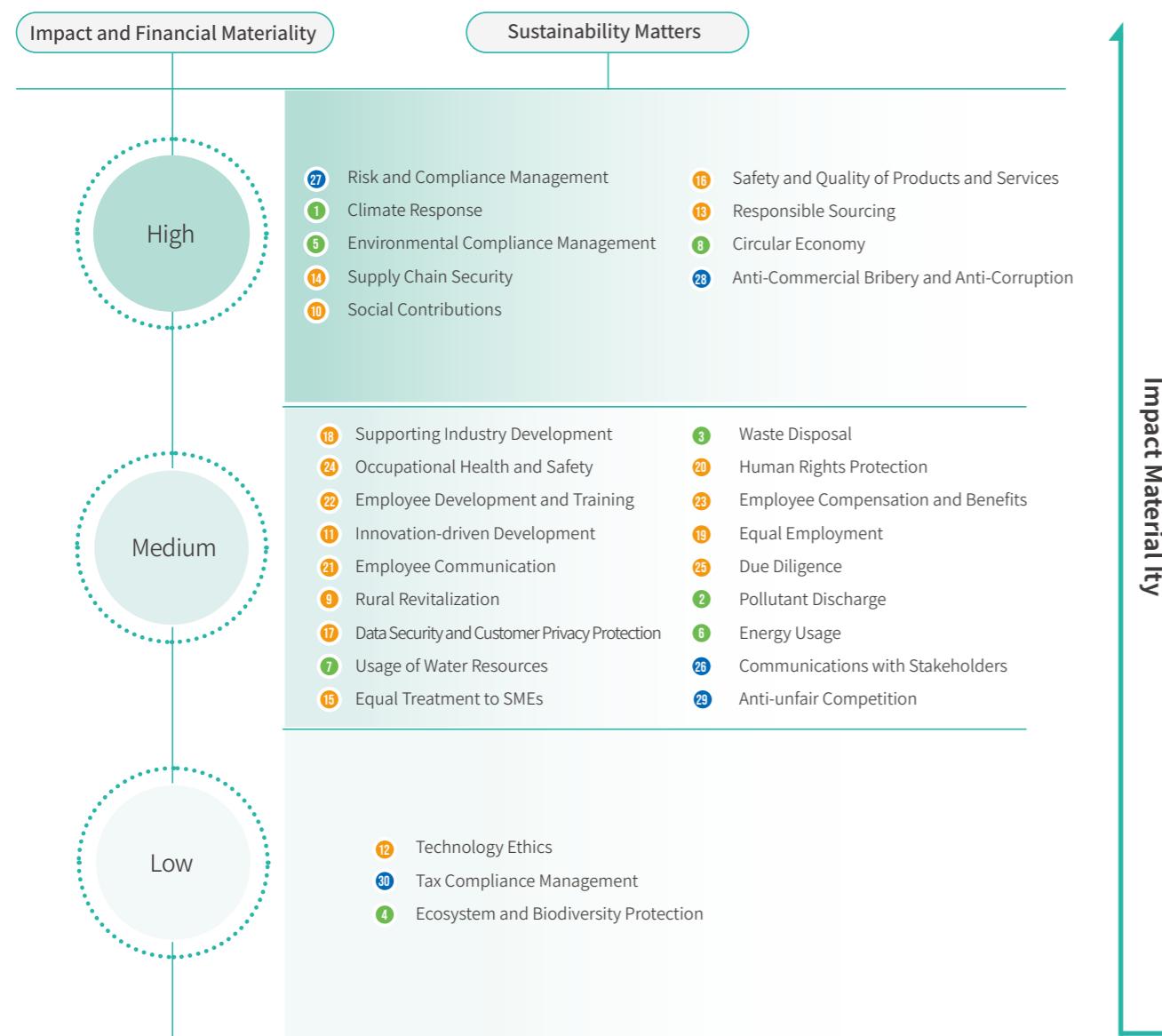
Financial Materiality: Low	Financial Materiality: Medium	Financial Materiality: High
<ul style="list-style-type: none"> Pollutant Discharge Waste Disposal Data Security and Customer Privacy Protection Responsible Sourcing Due Diligence Innovation-driven Development Energy Usage Communications with Stakeholders Supporting Industry Development Equal Treatment to SMEs Occupational Health and Safety Human Rights Protection Usage of Water Resources Ecosystem and Biodiversity Protection 	<ul style="list-style-type: none"> Employee Development and Training Ati-unfair Competition Tax Compliance Rural Revitalization Equal Employment Employee Compensation and Benefits Employee Communication Technology Ethics 	<ul style="list-style-type: none"> Environmental Compliance Management Climate Response Supply Chain Security Risk and Compliance Management Safety and Quality of Products and Services Social Contributions Circular Economy Anti-Commercial Bribery and Anti-Corruption

Financial Materiality: "Low" refers to potential impact in the short, medium, and long term. "Medium" indicates an impact in the short term with potential impact in the medium and long term. "High" signifies a short-term impact with a strong likelihood of material impact in the medium and long term.

Step 3 Consolidating Impact and Financial Materiality Outcomes

Based on the assessment outcomes of impact materiality and financial materiality, we have developed a materiality matrix and identified 30 material matters.

- Environmental
- Social
- Governance



Step 4 Reporting and Operational Practices

The materiality assessment outcomes are reviewed and approved by our Strategy and Sustainability Committee. Detailed management approaches and specific actions are provided in the relevant sections of this report.

Material Matter	Scope of Impact				Affected Stakeholders	Risks	Opportunities	Time Horizon	SDGs	The Chapter of Management and Action
	Value Chain Up-stream	Operations	Value Chain Down-stream	Communities						
Climate Response	✓	✓	✓	✓	<ul style="list-style-type: none"> Employees Customers Suppliers Investors Banks Media Government and Regulatory Bodies NGOs 	<ul style="list-style-type: none"> Climate change may increase the frequency of extreme weather events such as floods, droughts, and typhoons. These events may damage transportation infrastructure, disrupt supply chains, raise logistics costs, and further affect operational efficiency and business stability. Climate change may also constrain the supply of critical raw materials, leading to shortages and rising prices. This, in turn, can impact production schedules and increase the difficulty of cost control. 	<ul style="list-style-type: none"> Promote the use of green and clean energy, and invest in low-carbon and environmentally friendly industries to gain early market advantages. Develop low-carbon and environmentally friendly products and offer green services to meet the growing market demand for sustainable solutions, thereby strengthening our competitiveness in the transition toward a low-carbon economy. Formulated a dual-carbon strategy (carbon peaking and carbon neutrality) and are actively engaging our supply chain partners in joint decarbonization efforts, enhancing our overall strengths in green and low-carbon development while gaining broader market support and social recognition. Financial institutions and investors are increasingly favoring green and low-carbon projects. Companies that advance low-carbon development are more likely to gain support from capital markets and benefit from reduced financing costs. 	Short-term Mid-term Long-term	  	Climate Response Circular Economy
Safety and Quality of Products and Services	✓	✓	✓	✓	<ul style="list-style-type: none"> Customers Suppliers 	<ul style="list-style-type: none"> Failure to meet industry standards or regulatory requirements may result in administrative penalties, product recalls, or legal actions. It may also lead to increased maintenance costs, higher insurance premiums, and potentially significant fines or legal liabilities. Product quality issues or safety incidents could trigger consumer complaints and negative media exposure, damaging the company's brand reputation, eroding customer trust, and ultimately causing a loss of market share. 	<ul style="list-style-type: none"> Committed to building a robust product quality management system, delivering responsible products and services, and establishing trust in the minds of consumers. This enhances our brand image, strengthens our market competitiveness, and supports long-term and stable development. Continuously improve our service processes and product quality, integrating customer rights protection into every stage of our operations. By doing so, we aim to enhance customer satisfaction and loyalty, injecting momentum into the company's long-term growth and its coordinated development with society. 	Short-term Mid-term Long-term		Safety and Quality of Products and Services
Circular Economy	✓	✓	✓	✓	<ul style="list-style-type: none"> Employees Customers Suppliers Investors Banks Media Government and Regulatory Bodies NGOs 	<ul style="list-style-type: none"> Consumer demand for circular products may be affected by economic cycles, resulting in market volatility that could impact sales performance and market share. End customers are placing increasing emphasis on certification standards for circular materials, which may drive up procurement costs and heighten compliance pressure on the company. Investments in innovation related to resource recycling and circular economy initiatives may increase financial costs in the short term. 	<ul style="list-style-type: none"> Actively respond to national policies by developing green and circular economy businesses, promoting resource recycling, and reducing operational costs. Strive to scale up related business operations and enhance our market competitiveness by advancing the circular economy and leveraging supportive sustainability policies and shifting market preferences, 	Mid-term Long-term	 	Climate Response Circular Economy
Risk and Compliance Management	✓	✓	✓	✓	<ul style="list-style-type: none"> Employees Customers Suppliers Investors Banks Media Government and Regulatory Bodies NGOs 	<ul style="list-style-type: none"> Internal control deficiencies may lead to fraudulent activities, resulting in financial losses and exposure to legal liabilities. Failure to comply with relevant laws and regulations may result in legal sanctions, regulatory penalties, or reputational damage. Inadequate risk and compliance management may weaken the Company's overall ability to respond to risks, increasing potential exposure in financial, legal, compliance, and reputational areas. An underdeveloped emergency management system may limit the Company's responsiveness to unexpected risks, potentially disrupting business operations and harming brand reputation. 	<ul style="list-style-type: none"> Strengthening risk and compliance management system enhances the ability to withstand risks and reinforces resilience for long-term sustainable development. Establishing a sound emergency management mechanism enables the Company to respond efficiently to unexpected incidents, minimize operational losses, and safeguard brand reputation and market trust. 	Short-term Mid-term Long-term		Risk and Compliance Management

Impact Duration Description:Short-term generally refers to within one year (inclusive) after the end of the reporting period; mid-term refers to one to five years (inclusive) after the end of the reporting period; long-term refers to more than five years after the end of the reporting period.

Material Matter	Scope of Impact				Affected Stakeholders	Risks	Opportunities	Time Horizon	SDGs	The Chapter of Management and Action
	Value Chain Up-stream	Operations	Value Chain Down-stream	Communities						
Environmental Compliance Management	✓	✓	✓	✓	<ul style="list-style-type: none"> Employees Customers Suppliers Investors Banks Media Government and Regulatory Bodies NGOs 	<ul style="list-style-type: none"> Failure to disclose environmental information as required may result in penalties from regulatory authorities and damage the Company's reputation. Environmental policies and regulations may be frequently updated, requiring companies to stay informed and compliant to avoid potential sanctions. 	<ul style="list-style-type: none"> Continuously strengthen our environmental management system, which sets clear standards for pollutant reduction, water resource conservation, and biodiversity protection. Strive to optimize resource utilization, reduce waste, and lower production costs, under the premise of environmental compliance. 	Short-term Mid-term Long-term		Environmental Compliance Management
Responsible Sourcing	✓	✓	✓		<ul style="list-style-type: none"> Customers Suppliers Investors NGOs 	<ul style="list-style-type: none"> If suppliers fail to strictly comply with environmental protection, labor rights, or business ethics standards, it may lead to legal risks and reputational damage, ultimately affecting our market position and customer trust. Supplier failures in fulfilling their responsibilities may cause supply disruptions, which can impact production and delivery schedules, increase operational uncertainty, and negatively affect customer satisfaction and corporate credibility. Excessive supplier concentration may amplify risks associated with individual supply chain links, weakening overall supply chain resilience. In extreme cases, this may result in supply chain disruptions, increased procurement costs, or production halts. While sourcing compliant raw materials, using clean energy, or adopting low-carbon logistics can enhance sustainability performance, such measures may increase procurement costs in the short term. 	<ul style="list-style-type: none"> We integrate ESG-related requirements into supplier onboarding, performance evaluation, and capacity building to continuously enhance supply chain resilience and sustainability. This strengthens our ability to manage risks and ensures long-term, stable operations. Responsible sourcing practices help build our image as a socially responsible enterprise, earning trust from consumers and investors while further enhancing brand value and market competitiveness. Reduce the risk of supply disruptions and lower logistics costs, improving supply chain flexibility and responsiveness by adopting a diversified supplier portfolio and localized sourcing strategies, to support sustained growth in a dynamic market environment. 	Medium-term Long-term		Supply Chain Security
Supply Chain Security	✓	✓	✓							
Anti-Commercial Bribery and Anti-Corruption	✓	✓	✓		<ul style="list-style-type: none"> Employees Customers Suppliers Investors 	<ul style="list-style-type: none"> Involvement in bribery or corruption scandals may severely undermine public trust in the company's integrity and ethical standards, damaging brand reputation and weakening market competitiveness. A lack of effective anti-corruption measures may result in internal control failures, increased operational risks, and compromised compliance, ultimately threatening the company's long-term sustainability. 	<ul style="list-style-type: none"> Adhering to the principles of fair competition helps foster a healthy market environment and enhances the company's competitiveness. Compliance with anti-corruption regulations can reduce costs associated with legal actions and penalties. 	Long-term		Anti-Commercial Bribery and Anti-Corruption
Social Contributions	✓		✓		<ul style="list-style-type: none"> Employees Banks Media Government and Regulatory Bodies NGOs 	<ul style="list-style-type: none"> A lack of social responsibility may lead to declining public trust in the company's integrity and ethical standards, thereby damaging brand reputation and weakening market competitiveness. Investors and stakeholders are placing increasing emphasis on companies' social and environmental performance. Companies that fail to actively fulfill their social responsibilities may face greater difficulties in accessing financing or higher financing costs, which in turn can affect capital acquisition and operational efficiency. Charitable donations and community investments may place demands on company resources, potentially affecting cash flow and profitability. 	<ul style="list-style-type: none"> Enhancing collaboration between the company and local communities in areas such as resource recycling, value co-creation, and inclusive development helps build a sustainable society based on shared growth. This also strengthens the company's sense of social responsibility and long-term societal impact. 	Long-term		Social Contributions

Communications with Stakeholders

We place high importance on the demands and expectations of stakeholders, and maintain communication with them through diverse channels. We stay informed about feedback and expectations of stakeholders, and integrate them into corporate governance practices to facilitate the continuous enhancement of ESG management capabilities and performance across various ESG issues.

Stakeholders	Employees	Clients	Suppliers	Investors	Banks and Other Financial Institutions	Media Institutions	Government and Regulatory Bodies	Non-governmental Organizations
Concerned Issues	<ul style="list-style-type: none"> ○ Equal Employment ○ Employee Development and Training ○ Employee Compensation and Benefits 	<ul style="list-style-type: none"> ○ Safety and Quality of Products and Services ○ Data Security and Customer Privacy Protection ○ Tax Compliance 	<ul style="list-style-type: none"> ○ Safety and Quality of Products and Services ○ Data Security and Customer Privacy Protection ○ Tax Compliance 	<ul style="list-style-type: none"> ○ Risk Management ○ Anti-corruption ○ Consumer Protection 	<ul style="list-style-type: none"> ○ Communications with Stakeholders ○ Due Diligence ○ Innovation-driven Development 	<ul style="list-style-type: none"> ○ Communications with Stakeholders ○ Due Diligence ○ Ati-unfair Competition 	<ul style="list-style-type: none"> ○ Communications with Stakeholders ○ Due Diligence ○ Ati-unfair Competition 	<ul style="list-style-type: none"> ○ Communications with Stakeholders ○ Due Diligence ○ Ati-unfair Competition
Communication Methods	<ul style="list-style-type: none"> ○ Employee Feedback Solicitation ○ Employee Training and Activities ○ Employee Satisfaction Surveys ○ Workers' Representative Meetings ○ Company WeChat Public Account 	<ul style="list-style-type: none"> ○ Customer Satisfaction Surveys ○ Customer Service and Complaint Management ○ Visits and Research ○ Social Media and Company Publications 	<ul style="list-style-type: none"> ○ Supplier Conferences ○ Conferences ○ Visits and Research ○ Discussions and Training 	<ul style="list-style-type: none"> ○ Public Company Information Disclosure ○ Shareholders' Meetings ○ Earnings Conference Call and Webcast ○ Investor Surveys ○ Investor Hotline and Interactive Platform 	<ul style="list-style-type: none"> ○ Public Company Information Disclosure ○ Project Cooperation 	<ul style="list-style-type: none"> ○ Social Welfare Activities ○ Public Company Information Disclosure ○ Media Communications ○ Public Opinion Monitoring 	<ul style="list-style-type: none"> ○ On-site Visits ○ Engagement in Policy Formulation and Suggestion ○ Media Communications ○ Government Project Cooperation 	<ul style="list-style-type: none"> ○ On-site Visits ○ Community Service ○ Welfare Activities

Sustainability-Related Governance

We integrate the concept of sustainable development into corporate governance, establishing and continuously improving a just, responsible, effective, and inclusive governance system. We strive to enhance the scientific basis and transparency of decision-making, build fair and positive relationships with all stakeholders, and provide a solid foundation for the company's sustainable development and long-term value realization.

Governance Structure and Mechanisms

We are gradually establishing and enhancing a top-down governance structure for sustainable development to ensure the effective implementation of sustainability management efforts, continuously improving our sustainability management capabilities, and promoting the realization of long-term corporate value.

Board Level

At the board level, we have established several subcommittees: The Strategy and Sustainability Committee, Audit Committee, Remuneration and Appraisal Committee, Nominations Committee, Risk Management Committee, and Investment and Policy-Making Committee. These committees provide comprehensive and professional consultation and advice to assist the board in guiding and overseeing the management of ESG matters. The Strategy and Sustainability Committee is responsible for researching and offering recommendations on ESG issues of concern to stakeholders, including ESG strategy, environmental management, greenhouse gas emissions, human rights protection, and responsible supply chains. The committee also reviews the ESG report, monitors, and checks our ESG-related work. The Strategy and Sustainability Committee holds annual meetings to discuss ESG matters and climate-related issues and reports to the board. In 2024, to further improve our governance structure and enhance our governance level, we established the Nominations Committee. This committee is responsible for developing the candidate criteria and selection procedures for our directors and senior management, and it provides recommendations to the board on potential candidates for these positions.

Executive Level

At the executive level, we have established a Sustainability Task Force composed of senior management and managers from relevant functional departments. Under the guidance of the Strategy and Sustainability Committee, the task force is responsible for the specific implementation of ESG-related work.



Strategy and Sustainability Committee



Sustainability Task Force

Appointment of Directors and Senior Management

We strictly follow the procedures for the nomination and selection of board members and senior management, as outlined in the "Articles of Association," "Shareholders' Meeting Rules," and "Nominations Committee Work Guidelines." The Nominations Committee, established under the board of directors, conducts a qualification review of candidates based on the required criteria for directors and senior management (including gender, age, education, professional background, work experience, social roles, and other multi-dimensional factors) and provides recommendations to the board. Senior management is appointed after being reviewed and approved by the board, while the appointment of directors is subject to approval by the board and election at the shareholders' meeting.

Our board of directors currently consists of 9 members, 3 of whom are independent directors, all holding doctoral degrees, accounting for 33.33% of the total board members.

Our senior management team covers professional fields such as corporate management, financial management, and risk management, including 2 female senior executives, who make up 25% of the total senior management.

Name	Occupation	Age	Professionalism				Board Committees				
			Industry Experience	Operations Management	Risk Control and Compliance	Accounting & Financial	Strategy and Sustainability Committee	Risk Management Committee	Remuneration and Appraisal Committee	Investment and Policy-making Committee	Audit Committee
Lin Mao (Male)	Chairman	56	○	○	○	○	○	○	○	○	
Zheng Yongda (Male)	Vice Chairman	53	○	○	○	○	○	○	○	○	
Huang Wenzhou (Male)	Director	60	○	○	○	○	○	○	○	○	○
Ye Yanliu (Female)	Director	52	○	○	○	○	○	○	○	○	
Zou Shaorong (Male)	Director	48	○	○	○	○	○	○	○	○	
Chen Dongxu (Male)	Director& Vice President	54	○	○	○	○	○	○	○	○	
Lin Tao (Male)	Independent Director	53	○	○	○	○	○	○	○	○	
Chen Shoude (Male)	Independent Director	48	○	○	○	○	○	○	○	○	
Wu Yuhui (Male)	Independent Director	46	○	○	○	○	○	○	○	○	
Cheng Dongfang (Male)	CEO	46	○	○	○	○	○	○	○	○	
Jiang Guizhi (Female)	Vice President& Board Secretary	53	○	○	○	○	○	○	○	○	
Wang Zhibin (Male)	Vice President	56	○	○	○	○	○	○	○	○	
Xu Jiana (Male)	Vice President	46	○	○	○	○	○	○	○	○	
Lv Rongdian (Male)	Vice President	47	○	○	○	○	○	○	○	○	
Wei Zhuo (Female)	CFO	45	○	○	○	○	○	○	○	○	

The diversification and specialization of the structure of directors and senior management are critical to the company's decision-making. We attach great importance to the continuous improvement of the professional capabilities of our directors, supervisors, and senior management. Every year, we regularly organize training sessions on their duties and sustainable development, which helps enhance our corporate governance and ensures the compliance and efficiency of our operations. In 2024, we organized training for directors, supervisors, and senior management on topics such as the "Independent Director Management Measures" and the new "Company Law."

2024

we organized training for directors, supervisors, and senior management on topics such as the "Independent Director Management Measures" and the new "Company Law."

Compensation of Director and Senior Management

We have established a Remuneration and Appraisal Committee under the board of directors, which performs its duties in accordance with the "Remuneration and Appraisal Committee Work Guidelines." The committee is responsible for providing recommendations on the remuneration of directors, formulating the remuneration and performance evaluation plans for senior management, and conducting performance assessments for senior management. The Chairman of the Board and senior management receive compensation based on an annual salary system, which consists of a base salary and a performance-based salary. The performance-based salary is linked to the company's economic performance and individual achievements, in addition to receiving benefits as outlined by the company. The Chairman's remuneration scheme is drafted by the Remuneration and Appraisal Committee and submitted to the Board of Directors for review. After being approved by the Board of Directors, it is implemented upon approval by the shareholders' meeting. The remuneration scheme for senior management is drafted by the Remuneration and Appraisal Committee and submitted to the Board of Directors for approval before implementation. The remuneration or allowances of independent directors are decided by the shareholders' meeting.

Clawback Mechanism

For the compensation of the directors and senior management personnel holding specific positions within the company, we reserve a certain proportion of annual performance-based compensation as risk reserve, which is paid out at a deferred schedule. In the event of losses incurred due to improper management or other personal reasons, or violations of laws and regulations, the corresponding compensation amount will be deducted from the risk reserve, aiming to prevent short-term behavior in management and salary risks. Additionally, we have formulated "Regulations on the Management of Rewards and Punishments," linking sustainable performance in human capital, safety management, integrity in operation, clean construction, information security, etc., with the compensation performance of management and relevant responsible personnel.

The Shareholding of Directors and Senior Management

We have implemented a restricted stock incentive plan, granting restricted stocks to the company's directors and senior executives to establish a medium-to long-term incentive and restraint mechanism. As of December 31, 2024, the company's directors and senior executives collectively hold 5,655,706 shares of the company, accounting for 0.19% of the total share capital.



Shareholding Table of Directors and Senior Management

No.	Name	Position	Number of Shares Held
1	Lin Mao	Chairman	641,080
2	Zheng Yongda	Vice Chairman	647,840
3	Huang Wenzhou	Director	225,621
4	Ye Yanliu	Director	451,760
5	Zou Shaorong	Director	13,518
6	Chen Dongxu	Director and Vice President	564,840
7	Cheng Dongfang	CEO	510,200
8	Wang Zhibin	Vice President	662,547
9	Jiang Guizhi	Vice President and Board Secretary	661,000
10	Xu Jiana	Vice President	501,000
11	Lv Rongdian	Vice President	509,800
12	Wei Zhuo	CFO	266,500

Related Party Transaction

To ensure that the company's related-party transactions adhere to the principles of fairness, justice, and transparency, we strictly comply with relevant laws and regulations. Based on our operational practices, we have formulated the "Related-Party Transaction Management System," which clearly outlines the review and disclosure procedures for related-party transactions, as well as the pricing principles. We follow the legal and regulatory procedures for reviewing related-party transactions, and transactions that require disclosure must be submitted to the board for approval after being agreed upon by a majority of the independent directors. The board of directors and the shareholders' meeting review related-party matters within their authority, and we strictly implement the related-party abstention mechanism, ensuring that related directors and shareholders abstain from voting. In addition, our "Financial Management Regulations" and "Funds Management Regulations" also address the management of related-party transactions. In 2024, we further revised and improved the "Related-Party Transaction Management System," and all related-party transactions have been carried out in accordance with relevant laws, regulations, and internal management systems, following the appropriate decision-making procedures.

Conflict of Interest

In accordance with the "Articles of Association," directors and senior management personnel are obligated to act in good faith towards the company. Without the consent of the shareholders' meeting, they are not allowed to exploit their positions to pursue business opportunities that rightfully belong to the company for themselves or others, engage in self-employment or operate businesses similar to those of the company, in order to ensure fairness and transparency in decision-making. We require directors and senior management personnel to promptly report any significant positions held in other entities to us to avoid potential conflict with the interests of the company.

Protection of Minority Shareholders' Rights and Interests

Held a total of **3** shareholders' meetings

Reviewed **26** proposals



We strictly adhere to the requirements of relevant laws and regulations such as the "Company Law of the People's Republic of China," "Securities Law of the People's Republic of China," and the "Code of Corporate Governance for Listed Companies," establishing a sound "three-tiered" corporate governance structure. We continuously improve the governance system based on the "Articles of Association," consisting of internal governance documents such as the "Rules of Shareholders Meetings," the "Rules of Procedure for Board Meetings," and "Rules of Procedure for Board of Supervisors Meetings," clarifying the responsibilities of the power, decision-making, supervisory, and management bodies to ensure coordinated and standardized operations and promote the high-quality development of the company. The Board of Supervisors consists of three supervisors, including one employee supervisor. The Board of Supervisors strictly follows relevant regulations and internal rules such as the Articles of Association and the Rules of Procedure for Board of Supervisors Meetings, conscientiously fulfilling its supervisory duties. It supervises the legality and compliance of directors and senior management personnel in performing their duties and the company's financial condition, and provides opinions on related significant matters. We strictly follow relevant regulations and internal rules such as the "Articles of Association" and "Rules of Shareholders Meetings," standardizing the convocation, holding, and voting procedures of shareholders' meetings, and safeguarding the rights of all shareholders, especially minority shareholders.

In 2024, we held a total of 3 shareholders' meetings, during which 26 proposals were reviewed; 27 board meetings, during which 75 proposals were reviewed; and 97 specialized committee meetings, during which 492 proposals were reviewed. We also held 8 supervisory board meetings, during which 21 proposals were reviewed. The attendance rate for all directors and supervisors was 100%.

Information Disclosure Management

We strictly adhere to the requirements of relevant regulations such as the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange" and have formulated a series of regulatory documents including the "Information Disclosure Management System," "Debt Financing Instrument Information Disclosure Management System for the Interbank Bond Market," "Insider Information Holder Registration Management System," "External Information User Management System," and "Significant Information Internal Reporting System." These documents clarify the scope, time limits, procedures, and channels for information disclosure, standardizing the information disclosure process. Additionally, we actively carry out the registration of insiders and internal reporting of significant information to ensure that information disclosure is conducted truthfully, accurately, timely, and completely, thereby fully safeguarding the right to information of all investors.

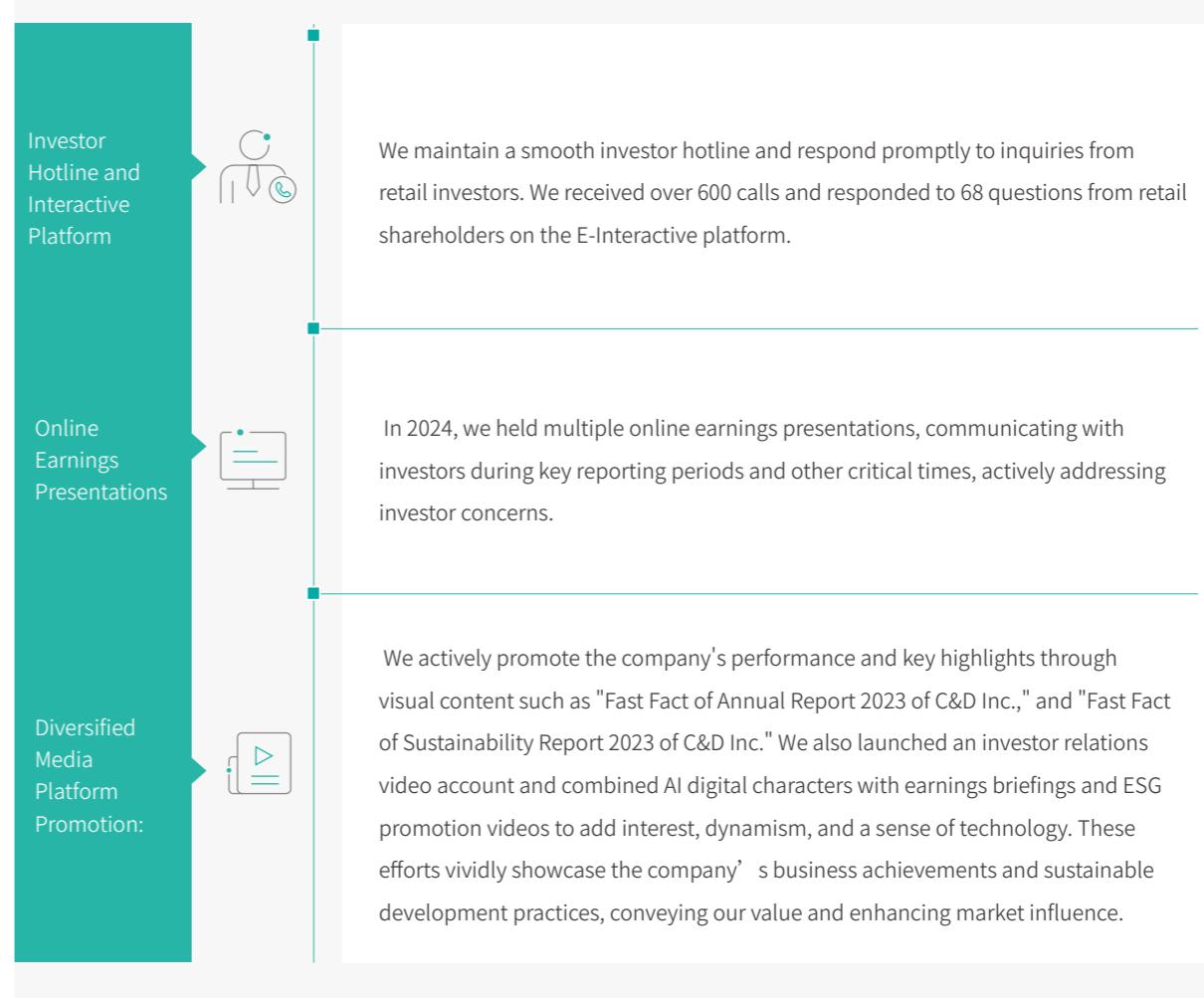
Investor Relations Management

We have established the "Investor Relations Management System" and established an investor relations management mechanism. The Chairman of the Board of Directors serves as the primary person responsible for investor relations management, while the Securities Department, under the leadership of the Board Secretary, is responsible for organizing and implementing investor relations management work. We have established diversified channels of communication with investors, including the Investor Relations section on the official website, investor hotline, investor email, Shanghai Stock Exchange E-Interactive Platform, shareholder meetings and performance presentations, investor visits and surveys, etc., to maintain effective and positive communication with investors. In 2024, we were awarded the "Best Investor Relations Award" by iFinD.

In 2024

we were awarded the
"Best Investor Relations Award"

by iFinD.



Environmental

Environmental Performance Targets in 2024		Completion Status
1	Organize and complete the annual greenhouse gas (Scope 1 and Scope 2) inventory, with the greenhouse gas (Scope 1 and Scope 2) emissions data verified by a third-party agency	✓
2	Gradually promote rooftop photovoltaic (PV) installations in company-owned factories to advance clean energy adoption and increase the share of green energy in production	✓
3	Actively advance energy transition and upgrades, invest in photovoltaic power station projects, and promote the development of new energy vehicle (NEV) business	»»»
4	Improve the coverage of ISO 14001 environmental management system certification, ensuring that 100% of subsidiary manufacturing enterprises obtained the certification	✓
5	Ensure that all emissions of waste gas, wastewater, and waste pollutants meet standards throughout the year, with no major environmental pollution incidents or environmental-related penalties	✓
6	Recycle no less than 1 million tons of scrap steel, 40,000 tons of recycled aluminum, recycled copper, and recycled aluminum alloy, and 380,000 tons of wastepaper in the year	✓
7	All subsidiary manufacturing enterprises achieve their target for annual water consumption per unit product	✓

✓ Completed »»» In Progress ✗ Unfinished



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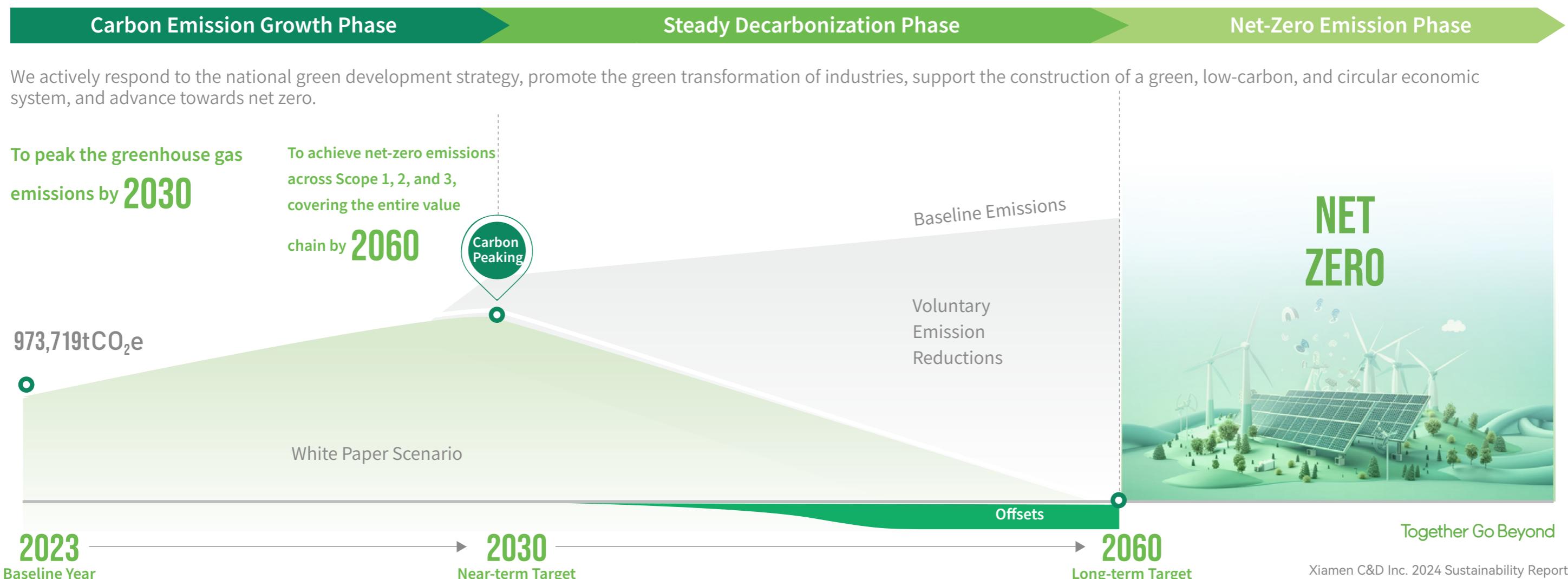
Climate Response

Currently, climate change brings profound impact on the global ecological environment, economic development, and social stability. Extreme weather events such as high temperatures, heavy rainfall, droughts, and hurricanes are increasingly frequent, posing a threat to human life and safety, and causing significant damage to agricultural production, infrastructure, and energy supply. In this context, we address the challenges of climate change, adhere to the concept of green and low-carbon development, strictly follow the requirements of the Paris Agreement and local carbon reduction policies, and promote the low-carbon transformation of business operations and supply chains.

Climate Strategy

As a globally positioned company, we uphold the brand philosophy of "Together Go Beyond" and actively respond to China's carbon peaking and carbon neutrality strategy and the global temperature control goals under the Paris Agreement. We make the net zero commitment to peak the greenhouse gas emissions by 2030 and achieve net-zero emissions across Scope 1, 2, and 3, covering the entire value chain by 2060. We are dedicated to implementing the Paris Agreement and the United Nations Sustainable Development Goals. We are driving the green

transformation of industries through initiatives such as developing green and low-carbon products, advancing low-carbon development across the value chain, promoting the use of clean and low-carbon energy, facilitating the recycling of resources, investing in green, low-carbon, and eco-friendly industries, and implementing green and low-carbon actions. We contribute to the development of a green and low-carbon circular economy system, and move towards sustainable development.



Climate-Related Risks, Opportunities, and Financial Impacts

Climate change presents both challenges and opportunities for human society. We regularly conduct the identification and analysis of climate change risks based on our business characteristics while referring to different climate scenarios from the IPCC and IEA models. We assess the physical risks, transition risks, transition opportunities, and the corresponding impacts that the company may face in the short, medium, and long term. We integrate the management of climate-related risks, opportunities, and financial impacts into our overall enterprise risk management system, continuously enhancing our ability to address sustainability risks and strengthen the resilience of our corporate strategy, supporting our journey towards sustainable development.



Physical Risks

We have selected the very low GHG emissions scenario (SSP1-1.9) and the very high GHG emissions scenario (SSP5-8.5) from the five scenarios under the IPCC's Shared Socioeconomic Pathways (SSP) to conduct Short term, Medium term, and Long term identification and assessment of climate-related risks affecting our supply chain operations and real estate business.

According to the IPCC's sixth assessment report, compared to 1850-1900, global surface temperature averaged over 2081-2100 is very likely to be higher by 1.0° C to 1.8° C under the very low GHG emissions scenario considered (SSP1-1.9), by 2.1° C to 3.5° C in the intermediate GHG emissions scenario (SSP2-4.5) and by 3.3° C to 5.7° C under the very high GHG emissions scenario (SSP5-8.5). The last time global surface temperature was sustained at or above 2.5° C higher than 1850-1900 was over 3 million years ago (medium confidence).

Relative to 1995-2014, the likely global mean sea level rise by 2100 is 0.28-0.55 m under the very low GHG emissions scenario (SSP1-1.9); 0.32-0.62 m under the low GHG emissions scenario (SSP1-2.6); 0.44-0.76 m under the intermediate GHG emissions scenario (SSP2-4.5); and 0.63-1.01 m under the very high GHG emissions scenario (SSP5-8.5).

Physical Risk Assessment

Climate-related Risks	Current Status	2030		2050	
		SSP1-1.9	SSP5-8.5	SSP1-1.9	SSP5-8.5
Typhoons and Floods					
Typhoons bring strong winds, heavy rainfall, and storm surges, while floods cause waterlogging disasters, which may damage buildings, equipment, and inventory, or even destroy factories and warehouses, affecting production and storage. These events could lead to injuries or entrapment of employees and surrounding residents, and may even trigger secondary disasters such as landslides and mudslides. Additionally, they may cause traffic congestion, road collapses, port closures, and shipping disruptions, leading to interruptions in logistics and supply chains, resulting in insufficient raw material supply or delays in product delivery.					
Sea Level Rise					
The company's coastal ports, transportation networks, storage facilities, and other infrastructure may face risks of seawater erosion or flooding, leading to transportation disruptions and logistics blockages, increasing the cost of facility repairs and replacements. Assets or real estate projects in the company's coastal regions may be at risk of value depreciation. Rising sea levels could damage critical transportation and logistics routes, impacting the import of raw materials and the export of products, resulting in supply chain disruptions or delays.					
Loss of Biodiversity and Habitat Displacement					
The degradation of marine, coastal, and terrestrial ecosystems, extinction of species, and the reduction or irreversible loss of ecosystems and their services, including freshwater, terrestrial, and marine ecosystems.					
Extreme High and Low Temperatures					
In high-temperature environments, employees face health risks such as heatstroke or other heat-related issues, which may lead to workplace injuries, sick leave, or absenteeism, impacting production and work efficiency. High temperatures may cause production equipment to overheat, leading to malfunctions or shutdowns, affecting production efficiency and causing delivery delays. Additionally, hot weather may increase the demand for air conditioning and cooling equipment, raising energy consumption and operational costs.					
Droughts Leading to Water Scarcity					
Droughts may result in insufficient water supply for production and daily operations. To mitigate the impact of water scarcity and drought on business operations, additional funds may be required to secure water resources, such as building water treatment facilities, thereby increasing operational costs for the company.					

Extreme Low Impact Low Impact Medium Impact High Impact Extreme High Impact

Physical Risk Management

Physical Risks	Impact Period	Mitigation Plan
Typhoons and Floods Typhoons bring strong winds, heavy rainfall, and storm surges, while floods cause waterlogging disasters, which may damage buildings, equipment, and inventory, or even destroy factories and warehouses, affecting production and storage. These events could lead to injuries or entrapment of employees and surrounding residents, and may even trigger secondary disasters such as landslides and mudslides. Additionally, they may cause traffic congestion, road collapses, port closures, and shipping disruptions, leading to interruptions in logistics and supply chains, resulting in insufficient raw material supply or delays in product delivery.	Short-term, Medium-term, and Long-term	Regularly inspect and reinforce facilities at office locations and projects, and ensure adequate property insurance is in place to address potential disasters. Develop emergency response plans, strengthen meteorological early warning systems, and stockpile emergency supplies. Enhance employee disaster prevention training and organize emergency drills for typhoon and flood prevention to ensure a quick response. Prior to the arrival of typhoons or heavy rain, communicate with suppliers and logistics companies to ensure they are informed of the situation and are properly prepared. Preemptively stock necessary production materials and raw materials to mitigate potential supply chain disruptions.
Sea Level Rise The company's coastal ports, transportation networks, storage facilities, and other infrastructure may face risks of seawater erosion or flooding, leading to transportation disruptions and logistics blockages, increasing the cost of facility repairs and replacements. Assets or real estate projects in the company's coastal regions may be at risk of value depreciation. Rising sea levels could damage critical transportation and logistics routes, impacting the import of raw materials and the export of products, resulting in supply chain disruptions or delays.	Medium-term and Long-term	Conduct a comprehensive assessment of the risks associated with sea level rise in the regions where we operate, and carefully evaluate new investments or constructions in low-lying areas or regions vulnerable to the impact of sea level rise. For existing facilities, implement protective measures such as reinforcing embankments, building flood gates, and upgrading drainage systems to enhance their resilience to floods, seawater backflow, and other disasters. Regularly inspect and maintain these facilities to ensure their proper operation. Establish a diversified supply chain to reduce reliance on a single supplier or transportation route, thereby mitigating supply chain risks caused by sea level rise.
Loss of Biodiversity and Habitat Displacement The degradation of marine, coastal, and terrestrial ecosystems, extinction of species, and the reduction or irreversible loss of ecosystems and their services, including freshwater, terrestrial, and marine ecosystems.	Medium-term and Long-term	Continuously conduct environmental assessments to comprehensively identify and reduce the negative impact of business operations on ecosystems. Advocate for biodiversity conservation actions and actively participate in and support ecological and environmental protection efforts in the regions where we operate.
Extreme High and Low Temperatures In high-temperature environments, employees face health risks such as heatstroke or other heat-related issues, which may lead to workplace injuries, sick leave, or absenteeism, impacting production and work efficiency. High temperatures may cause production equipment to overheat, leading to malfunctions or shutdowns, affecting production efficiency and causing delivery delays. Additionally, hot weather may increase the demand for air conditioning and cooling equipment, raising energy consumption and operational costs.	Short-term, Medium-term, and Long-term	Develop emergency plans for extreme weather conditions, provide necessary heatstroke prevention or cold protection supplies, and arrange work schedules reasonably to avoid outdoor work during extreme high or low-temperature periods. Regularly maintain and inspect key equipment to ensure it operates normally under extreme weather conditions, and explore the use of more weather-resistant equipment and technologies. Implement natural ventilation and shading measures to reduce air conditioning load, lowering energy consumption and operational costs.
Droughts Leading to Water Scarcity Droughts may result in insufficient water supply for production and daily operations. To mitigate the impact of water scarcity and drought on business operations, additional funds may be required to secure water resources, such as building water treatment facilities, thereby increasing operational costs for the company.	Short-term, Medium-term, and Long-term	Implement efficient water resource management, optimize water usage structure, and reduce reliance on external water resources. Improve water use efficiency by implementing water-saving technologies, strengthening water recycling, and establishing rainwater harvesting systems. Regularly assess water resource risks, reserve backup water sources, and improve emergency plans. Conduct regular awareness campaigns and training for employees on water conservation to enhance their water-saving awareness. When making project site selections and investment decisions, prioritize avoiding water resource protection areas, and collaborate with governments, communities, and other stakeholders to participate in water resource protection and management efforts.

Transition Risks

With reference to the IEA's scenario model, we selected the Net Zero Emissions by 2050 (NZE) Scenario, where the global energy related CO₂ emissions are expected to reach net zero by 2050, offering the world a chance to limit the global temperature rise to within 1.5°C. We also choose the Stated Policies Scenario (STEPS), which considers only specific policies already enacted or announced by governments, and annual CO₂ emissions from energy-related and industrial processes are projected to increase from 34 gigatons in 2020 to 36 gigatons in 2030, and remain at approximately the same level until 2050. If emissions continue along this trajectory and non-energy-related greenhouse gas emissions follow a similar trend, the global temperature is estimated to rise by around 2.7°C by 2100 (with a 50% probability). By 2050, the share of renewable energy in global electricity generation is projected to approach 55%. Over the period from 2020 to 2050, global coal consumption is expected to decrease by 15%, oil consumption to increase by 15%, and natural gas consumption to increase by nearly 50%. We conducted short-term, medium-term, and long-term identification and assessment of the transition risks in our supply chain operations and real estate business, and formulated corresponding measures to enhance the company's ability for sustainable development.

Transition Risks	Impact Period	Mitigation Plan
Geopolitical Conflict 	Short-term, Medium-term, and Long-term	<ul style="list-style-type: none"> Adhere to professional management strategy, improve the construction and management of professional groups and business divisions, and promote the specialized development of subsidiary companies. Support the expansion of core businesses through resource allocation, management mechanisms, and industrial investment to consolidate market position, enhance industry standing, and strengthen core competitiveness. Accelerate the "go global" strategy, leveraging the domestic and international dual-circulation development model. Continue to deepen market penetration in dominant domestic regions such as East China and South China, while actively expanding into central and western China. Internationally, integrate into RCEP signatory countries, establish local teams and channels, and build a global supply chain system. Strengthen the empowerment of technology and finance, accelerate the application of digital technology, and achieve online, digital, mobile, and visualized supply chain operations. Explore various financing channels, optimize the financing structure, utilize various financial products and tools, hedge exchange rate risks, reduce financing costs, and improve profitability. Secure investment support based on professional operations, seek cooperation opportunities with industry-leading companies, and extend the core business layout to upstream and downstream industries. Through resource sharing, continuously enhance the competitiveness of core businesses.
Macroeconomic Policy Adjustment 	Short-term, Medium-term, and Long-term	<ul style="list-style-type: none"> Closely monitor the macroeconomic situation and track industry regulatory trends, align with macro-control policy directions, and formulate responsive measures in a timely manner based on policy changes. In the land acquisition process, carefully consider policy risks and reserve sufficient safety margins. Progressively improve operational efficiency, balance growth speed with development quality, enhance the quality of products and services, and establish a diversified real estate-related business portfolio to cope with external uncertainties.

Transition Risks	Impact Period	Mitigation Plan
Energy Technology Transformation	Short-term, Medium-term, and Long-term	<ul style="list-style-type: none"> Vigorously research and innovate digital technology applications, and continue to develop supply chain digitalization scenarios. Integrate digital solutions with traditional industry development to empower traditional industries to achieve green transformation, and reduce energy and resource consumption. Promote energy-saving, cost-reduction, quality improvement, and efficiency enhancement across the entire industry chain, and continuously improve the service competitiveness and sustainable development capability of products. Explore the development and design of green materials through research and innovation in green environmental protection technologies, provide environmentally friendly solutions for footwear and bag products, and empower the green development of upstream and downstream enterprises. The innovatively designed fourth-generation residential buildings integrate green ecological concepts into urban architecture, achieving harmonious development between buildings and the environment. Expand into the new energy business and market by collaborating to build and operate photovoltaic power stations in multiple regions of China, promoting new energy government vehicle businesses, and continuously deepening the photovoltaic, energy storage, and new energy vehicle industry chain. Keep exploring overseas markets and accelerating integration into the global new energy value chain.
Market Price Fluctuations	Short-term, Medium-term, and Long-term	<p>Implement corresponding management measures for different products and businesses</p> <ul style="list-style-type: none"> For agency business and locked-in customer transactions, mitigate certain risks during the contract stage by selecting high-quality customers and collecting deposits. After the business commences, manage risks through price adjustments and other risk control measures. For self-operated business, control unilateral exposure and use floating pricing and index pricing settlement methods. Additionally, hedge unilateral exposure price risks through reasonable futures hedging or options protection. Closely monitor market prices of relevant products and changes in external conditions, urging the company to accelerate turnover and reduce price risks through real-time price monitoring.
Intensification of Industry Competition	Short-term, Medium-term, and Long-term	<ul style="list-style-type: none"> Leverage years of experience, channel advantages, and brand strength to establish a multi-category supply chain services matrix, creating competitive advantages with scale and specialization. Actively respond to national policies, accelerate the layout of the Belt and Road Initiative and other international markets, explore new models and business areas, and continue to broaden the business scope and market reach. Reinforce the development of information technology to improve business operation efficiency. Enhance the added value of service solutions, increase customer loyalty, improve industry influence, and strengthen overall business competitiveness. Continue to optimize the real estate project portfolio, deepen the presence in key existing regions, and steadily expand into high-potential cities. Develop distinctive products, reinforce brand characteristics, and create benchmark projects in key cities based on local conditions, leveraging the value of "real estate+" and other real estate-related commercial services to enhance differentiated competitive advantages.

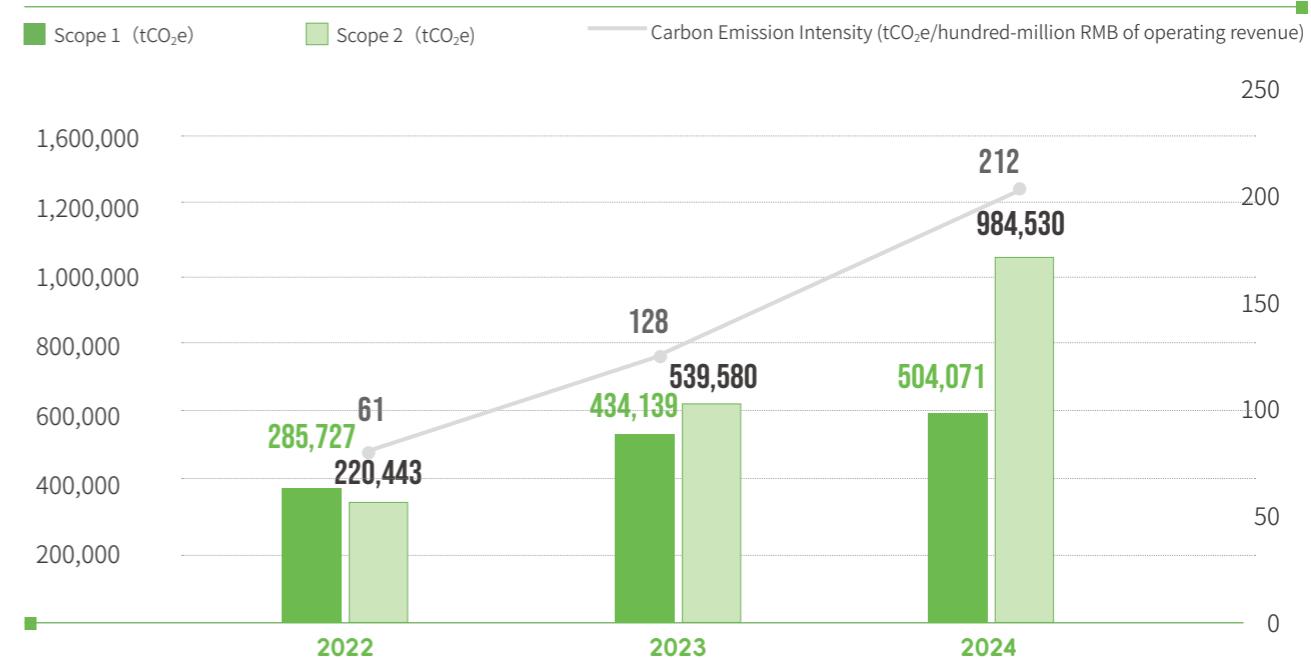
GHG Emissions Management

In accordance with the ISO 14064-1:2018 standard, we conducted the 2024 greenhouse gas (GHG) inventory for entities within our consolidation scope using the operational control approach. In 2024, our total GHG emissions (Scope 1 and Scope 2) reached 1,488,601 tCO₂e, an increase of 514,882 tCO₂e compared to 2023. This rise was primarily due to the increased production of our manufacturing subsidiaries during the reporting period.

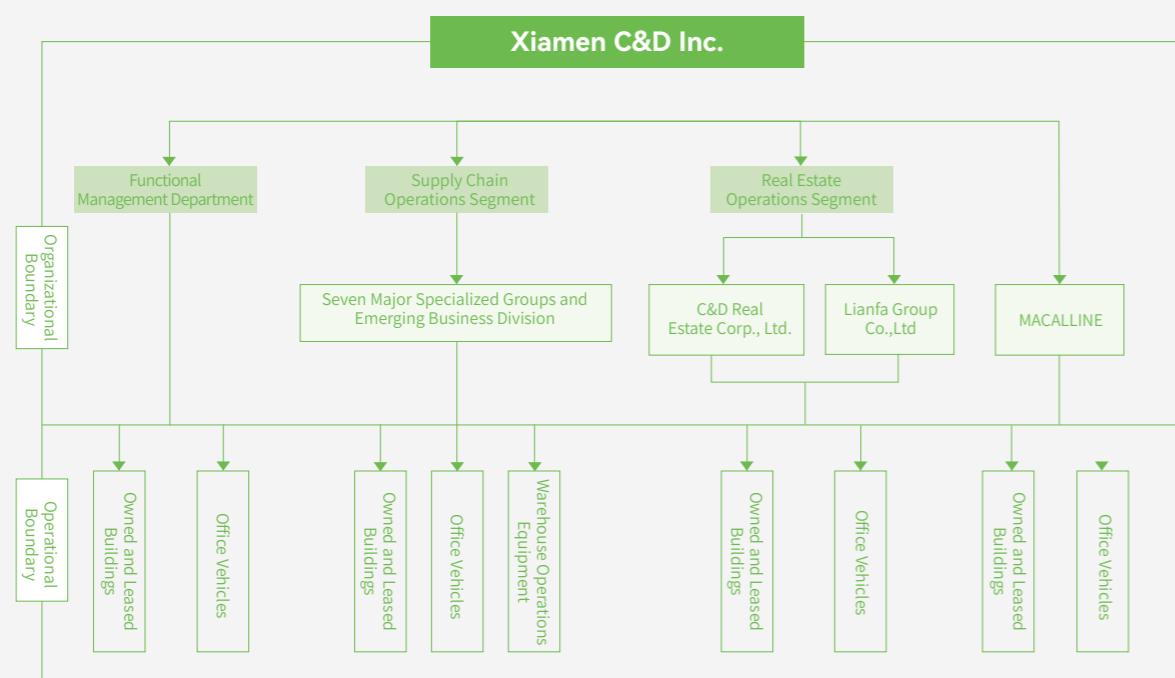
GHG Emissions in 2024

Category	2024	2023	2022
Scope 1: Direct Emissions (tCO ₂ e)	504,071	434,139	285,727
Scope 2: Indirect Emissions (tCO ₂ e)	984,530	539,580	220,443
Total (tCO ₂ e)	1,488,601	973,719	506,170
Carbon Emission Intensity (tCO ₂ e/hundred-million RMB of operating revenue)	212	128	61

GHG Emissions



● Organizational Boundary of GHG Inventory for 2024



● Operational Boundary of GHG Inventory for 2024

Our GHG inventory consolidation scope for 2024 includes Scope 1 direct emissions and Scope 2 indirect emissions.

GHG Category	Definition	Primary GHG Emission Sources
Scope 1	Direct GHG emissions refer to emissions generated by the organization itself, including those from fossil fuel combustion and industrial processes. These emissions are categorized into stationary combustion, mobile combustion, process emissions, and fugitive emissions.	<ul style="list-style-type: none"> • Natural gas boilers • Gasoline-powered company vehicles • Diesel-powered company vehicles • Air conditioner • Fire extinguishers
Scope 2	Indirect GHG emissions result from the consumption of purchased electricity, heat, and other energy sources. This includes emissions associated with externally sourced power and steam.	<ul style="list-style-type: none"> • Purchased electricity • Purchased thermal energy

● GHG Categories

Seven types of greenhouse gases including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).



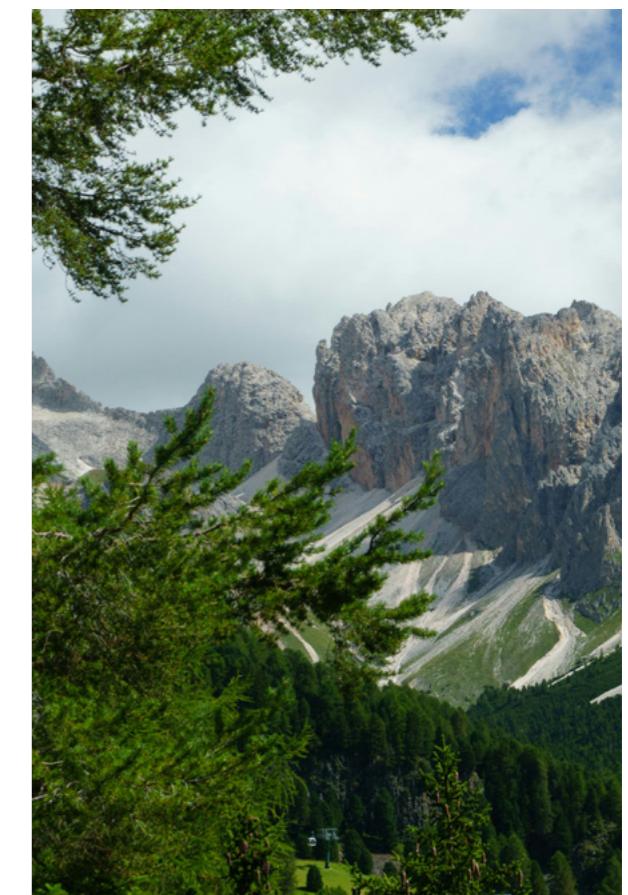
● GHG Emission Reduction Actions

Through initiatives of developing green and low-carbon products, advancing low-carbon development across the value chain, promoting the use of clean and low-carbon energy, facilitating the recycling of resources, investing in green, low-carbon, and eco-friendly industries, and implementing green and low-carbon actions, we drive the low-carbon transition of traditional industries while reducing greenhouse gas emissions from our own operations to support the green development of the industrial value chain.

Developing Green and Low-carbon Products

We are committed to the ongoing exploration of the design and development of green products, including green materials and green buildings, in our supply chain operations and real estate business, applying green principles to promote the sustainable development of human living environments.

For different emission sources under Scope 1 and Scope 2, we select appropriate emission factors for GHG emissions calculation based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020), and the latest electricity emission factor released by the Ministry of Ecology and Environment.



● Green Pulp and Paper

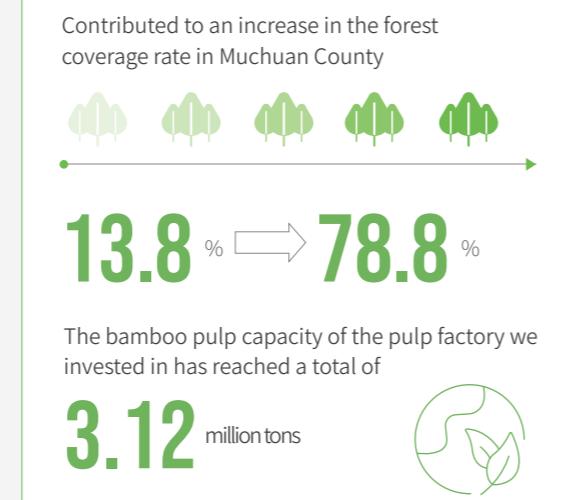
We uphold a pure and eco-friendly philosophy in our "Choice of Purity" natural bamboo pulp paper. Made from *Bambusa emeiensis* fiber sourced from Muchuan bamboo forests, it contains no added fluorescents, bleaching agents, microbial colonies, or harmful additives. The production process generates only 50% of the COD emissions compared to traditional white paper. The product has obtained international food-grade compliance, including the certification from the U.S. FDA and the EU AP.



From a production process perspective, bamboo pulp technology is more environmentally friendly than traditional chemical pulping methods. The "Choice of Purity" bamboo pulp paper production line adopts advanced international technologies such as DDS cooking and enclosed screening. The deep delignification cooking and related clean technologies for bamboo pulping have been included in the National Development and Reform Commission's major

industrial technology development projects. These advanced pulping technologies support product quality, where our flagship products with high-end bamboo pulp boards offer high strength, excellent breathability, strong absorbency, and notable antibacterial properties. They are free of toxic elements, making them suitable for household and premium paper production. Compared to wood pulp paper, bamboo pulp paper saves one ton of steam per ton of production. The energy consumption per ton of "Choice of Purity" bamboo pulp paper is about 300 kg of standard coal, approximately 350 kg lower than the national clean production standard. Additionally, bamboo pulp waste is repurposed as fertilizer for mushroom cultivation, contributing to local economic growth while protecting the environment.

Since we started production, the bamboo pulp capacity of the pulp factory we invested in has reached a total of 3.12 million tons, contributing to an increase in the forest coverage rate in Muchuan County from 13.8% to 78.8%, significantly boosting local economic development and ecological protection.



● Green Materials

To address greenhouse gas emissions in traditional textile production, we actively explore and utilize green materials such as recycled polyester, recycled cotton, plant-based fibers, biodegradable bio-based materials, and carbon-negative materials. We aim to provide sustainable solutions for the apparel and textile industry.

We incorporate eco-friendly materials like SORONA®, CELYS®, and PrimaLoft® Bio into our product designs, integrating green materials, eco-friendly dyeing, and sustainable processes to bring our environmental commitment to life. Additionally, we rigorously select suppliers based on four key criteria of product recycling, chain of custody, social and environmental practices, and chemical restrictions to meet diverse market demands and certification standards. We also offer certification support, including GRS, GOTS, OEKO-TEX, BCI, and RCS, contributing to the sustainable development of the textile industry.



Green Buildings

We adhere to national and industry standards for green buildings, including Assesment Standard for Green Building (GB/T 50378-2019), Thermal Design Code for Civil Building (GB 50176-2016), Design Standard for Energy Efficiency of Public Buildings (GB 50189-2015), and Code for Green Design of Civil Buildings (JGJ/T 229-2010). We implement strict green environmental management throughout the entire lifecycle of our buildings, from design to operation. We continuously promote green building design, sponge city concepts, prefabricated construction techniques, BIM technology, and ultra-low energy buildings to enhance project quality and construction efficiency. By maximizing resource conservation, we strive to create safe, comfortable, and low-carbon buildings, fostering harmonious coexistence between architecture and nature.

In 2024

The company added 12 newly completed green building projects, including 1 two-star green building project, 8 one-star green building projects, and 3 basic-level green building projects.

Safety and Durability

- Establish strictly enforce property security provisions.
- Optimize the service life of materials and equipment to enhance product quality.

Health and Comfort

- Prioritize the application of "green products" and "green building materials" as key management indicators.
- Emphasize indoor air quality by monitoring pollutants such as "respirable particulate matter."
- Use soundproof glass to reduce noise and maintain a low-decibel indoor environment for enhanced comfort.
- Leverage "sponge city" technologies to optimize the use of underground space and improve overall comfort.
- Increase the proportion of deciduous trees to enhance "light comfort."

Living Convenience

- Incorporate gentle slopes to create barrier-free pathways, enhancing accessibility for the elderly, children, and individuals with disabilities.
- Thoughtfully arrange public facilities such as fitness areas and children's play spaces.

Resource Efficiency

- Adopt sensor-based lighting to extend the lifespan of lighting fixtures, conserve energy, and reduce emissions.
- Enhance building energy efficiency through optimized design, the use of clean energy, high-performance insulation materials, energy-efficient equipment, and energy consumption monitoring systems.
- Implement a rainwater recycling system to replace tap water for landscaping irrigation and road sprinkling.
- Select industrialized interior components and apply BIM technology to improve construction efficiency and reduce costs.

Enhanced Livability

- Utilize sponge facilities such as sunken green spaces and rain gardens to control site runoff, reduce the burden on stormwater drainage systems, block surface pollutant sources, and mitigate the urban heat island effect.
- Simulate and analyze outdoor wind environments to optimize the overall site layout and landscape design, enhancing both indoor and outdoor comfort.



Highlight | U.S. LEED-CS Gold Certification Awarded to the Building Project



The Project of Xiamen Bank Quanzhou Branch Building, developed by Lianfa Group, is the first project in Fujian Province to receive a Green Building Label Certification since the implementation of China's new green building regulations. The project has successfully obtained the U.S. LEED-CS Gold Certification.



U.S. LEED-CS Gold Certification

LEED, short for Leadership in Energy and Environmental Design, is a "green building rating system" established and promoted by the U.S. Green Building Council. It provides third-party certification for buildings and communities. LEED certification is categorized into four levels: Certified, Silver, Gold, and Platinum, with Platinum representing the highest level of green building achievement.

Highlight | Ultra-low and Nearly Zero-Energy Buildings

We promote the construction of ultra-low energy buildings. We effectively reduce energy consumption by implementing measures such as the application of energy-efficient elevator control systems and energy consumption monitoring systems, the optimization of lighting layouts, the use of energy-saving self-extinguishing switches, and the utilization of solar energy. We ensure a comfortable indoor environment and fulfill the basic requirements of green buildings, achieving the construction of ultra-low and nearly zero-energy buildings.

In 2024 We launched 8 projects of ultra-low and nearly zero-energy buildings in cities such as Beijing and Shanghai. Among them:

- The Beijing Guanyun Project in Beijing has a total energy consumption of approximately 6,329 kWh/(unit • a), with a carbon emission intensity of about 17 kgCO₂e/(m² • a), which is more than 60% lower than the current national energy-saving standards.
- The Wangjing Yangyun Project in Beijing is expected to save 2.47 million kWh of electricity annually and reduce greenhouse gas emissions by approximately 1,325 tCO₂e per year, achieving an energy-saving of about 90% compared to conventional residential projects.
- The Guantangfu Kindergarten Project in Beijing is expected to save 130,000 kWh of electricity annually and reduce greenhouse gas emissions by approximately 70 tCO₂e per year, achieving an energy-saving of about 60% compared to conventional kindergarten projects.



● The Wangjing Yangyun Project in Beijing



● The Beijing Guanyun Project in Beijing

Highlight | The "Habitat Scroll of Honour Award" Granted to the Affordable Housing Project

In 2024, the Affordable Housing Project in Yangtang Residential District of Xiamen, developed by our subsidiary C&D Real Estate, was awarded the "China Habitat Scroll of Honour Award" by the Ministry of Housing and Urban-Rural Development, becoming the only affordable housing project in the country to receive this honor. As the largest affordable housing project in Fujian Province, the project follows the Two-Star Standard of China Green Buildings. It focuses on water conservation, energy saving, and environmental protection, utilizes innovative measures such as sponge city design, photovoltaic and light guide systems, and smart waste treatment facilities to reduce energy consumption and improve residents' quality of life.

Affordable Housing Project in Yangtang Residential District of Xiamen was awarded the "China Habitat Scroll of Honour Award" by the Ministry of Housing and Urban-Rural Development



● Affordable Housing Project in Xiamen Yangtang Residential Area

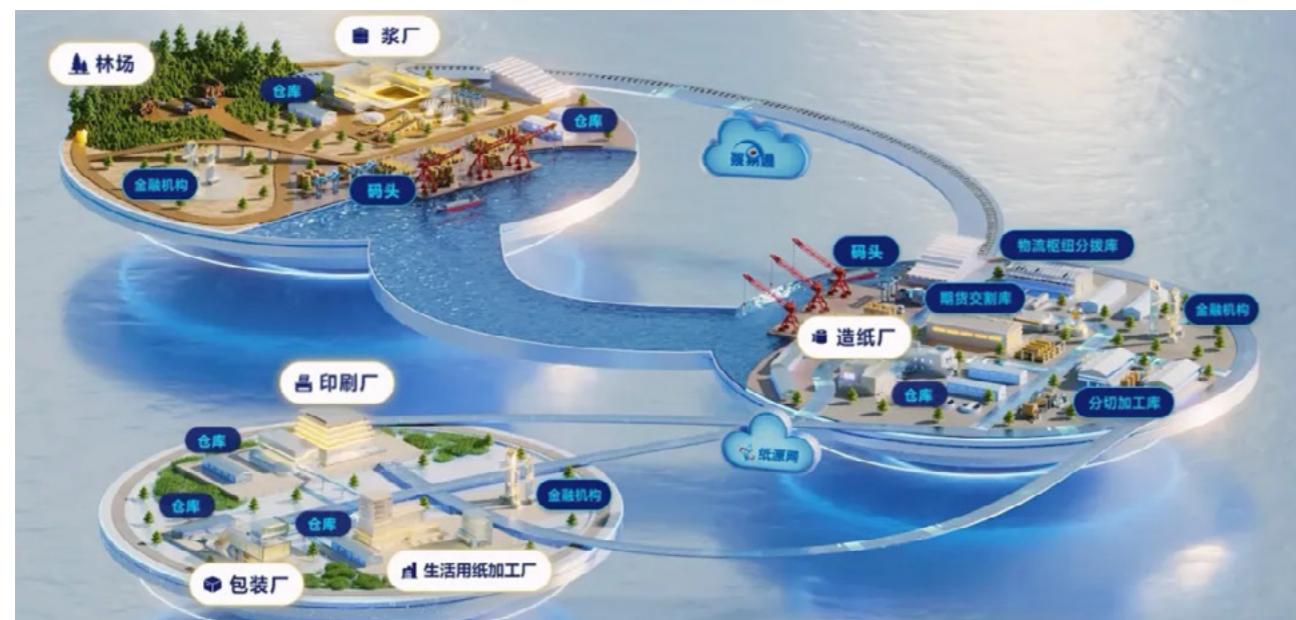
Advancing Low-Carbon Development Across the Value Chain

Digital technologies reduce carbon emissions by improving resource utilization efficiency, lowering pollution emissions, and promoting green consumption. These technologies are essential clean solutions for achieving carbon peak and carbon neutrality goals and for driving sustainable economic and social development. Through active research and innovation in digital technology applications, we continue to deepen the development and innovation of supply chain digitalization, and integrate digital solutions with the development of traditional industries. We integrate the supply chain resources, continuously drive the "greening and renewal" transformation and upgrading of traditional industries, accelerate the development of new production capacities, and jointly promote the green, low-carbon development of the industrial value chain ecosystem.

Highlight | Pulp and Paper Industrial Internet Platform

The pulp and paper industry chain includes upstream international pulp mills, midstream paper mills, and downstream printing and packaging factories, with tens of thousands of enterprises involved. Leveraging our innovative "LIFT Supply Chain Service" system, we have developed a leading internet platform for the pulp and paper industry, with core products including "E-Pulp" and "PaperSource." Through technologies such as artificial intelligence, blockchain, cloud computing, and big data, we offer comprehensive digital solutions centered around information, storage and transportation, finance, and risk control. This has enabled efficient online-offline interaction and resource coordination, addressing traditional challenges in the pulp and paper industry such as high costs, storage and transportation difficulties, and capital shortages. We have facilitated the transformation and upgrading of both upstream and downstream industries by providing customers with comprehensive, high-quality, and customized supply chain services, achieving cost reduction and efficiency improvement.

In 2025, our "E-Pulp" and "PaperSource" will integrate with the DeepSeek. Leveraging DeepSeek's technological advantages, we will introduce a range of AI-driven intelligent services, assist customers in the pulp and paper industry in enhancing decision-making efficiency, optimizing procurement processes, and breaking down information barriers. This will inject intelligent power into the pulp and paper industry chain and collaboratively build an efficient, smart, and interconnected new ecosystem for the industry.



In 2024

Pulp and paper industry internet platform was selected as one of the "Outstanding Cases of Data Elements Application 2024" by the Fujian Provincial Data Administration Bureau

The "Top 10 Digitalization Benchmark Cases of Central State-owned Enterprises 2024" in the 3rd China International Software Development Conference CIO Forum

Listed among the "Top 100 Chinese Industry Digitalization List" at the 11th Industrial Digitalization Conference and The "7th Digital Transformation and Innovation Awards 2024". Received the Digital Innovation Exemplary Case Award.

Highlight | C&D Esteellink

Based on the high-quality supply chain service demands of upstream and downstream ecological partners in the steel industry, we developed the "C&D Esteellink" platform by aggregating high-quality resources from various links in the steel industry chain. The "C&D Esteellink," built on the "LIFT Supply Chain Service," incorporates four service elements of "logistics," "information," "finance," and "business" to create a full-link supply chain loop from "production-transportation-warehousing-transaction." The platform provides steel industry clients with online contract services, logistics tracking, self-service pick-up, intelligent settlement and reconciliation, and other supply chain operations services. It satisfies the needs under diverse industry business scenarios, improves clients' operational efficiency and experience, and helps upstream and downstream clients in the steel industry enhance quality and efficiency.

In 2024

The "C&D Esteellink" platform ranked third in the "Top 100 Chinese Industry Digitalization List" at the 11th Industrial Digitalization Conference



Highlight | "EasyAgri" Customer Service Platform

We independently developed the "EasyAgri" platform, leveraging cutting-edge digital technology to establish an online trading bridge that breaks down information barriers and streamlines the transaction process. Its intuitive and transparent interface enhances clarity in every transaction step, and significantly improves the efficiency of agricultural product trading. The platform innovatively incorporates cloud-based evidence preservation technology, enabling paperless contract signing, as well as fully digitalized processes for pickup authorization, receipt confirmation, and other transaction flows. This not only enhances efficiency and sustainability but also ensures data security and tamper-proof transaction records.

Highlight | "EasyInput" Intelligent Applications

To address the pain points in data and document recognition and review within the supply chain industry, we have introduced advanced AI technologies such as OCR, NLP, and RPA, and independently developed the intelligent applications such as the "EasyInput" intelligent document entry system and the "EasyReview" intelligent document review system. The "EasyInput" replaces manual, repetitive, and rule-based traditional work modes with automation and intelligence, streamlining the document approval process. It significantly improves the efficiency of supply chain document entry and enhances the quality and efficiency of supply chain operations.

Highlight | "E-Settlement" Platform

The "E-Settlement" platform developed by C&D Automobile, is a financial settlement platform based on innovative financial management concepts. The platform integrates mobile smart terminals, business systems, financial systems, and accounting systems, realizing full-process automation from mobile terminals to the generation of accounting vouchers in the financial system. It significantly enhances the efficiency and accuracy of financial management. In 2024, the "E-Settlement" platform was selected for the 7th Digital Transformation and Innovation Awards and received the D-Awards for the automotive industry, as well as being recognized as a "IDC China Digital Transformation Pioneer 2024."



In 2024

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Highlight | Deployment of Distributed Solar Power Stations

C&D Clean Energy has installed distributed solar power stations on the rooftops of various facilities, including the C&D Shanghai Logistics Center, C&D Gaoqi Logistics Center, Xiamen C&D OnePark, Xiamen C&D International Automobile City, and the Quanzhou Jaguar Land Rover 4S Store. This initiative actively promotes the use of clean energy and reduces greenhouse gas emissions.



Promoting the Use of Clean and Low-Carbon Energy

The application of clean and low-carbon energy is a key global trend in energy transition, which aims to reduce greenhouse gas emissions and drive sustainable economic and social development. We promote the adoption of clean and low-carbon energy to reduce reliance on fossil fuels and significantly lower greenhouse gas emissions.

As a representative of clean energy source, solar power is gaining momentum worldwide due to its renewable nature, zero carbon emissions, and low operational costs. With continuous technological advancements and an increasingly mature industry chain, solar power generation is becoming more efficient while electricity costs continue to decline, making it one of the most competitive new energy sources. Solar energy is widely applied in ground-mounted power stations, distributed rooftop systems, agrivoltaics, and floating solar farms, while also integrating into industries such as manufacturing, transportation, and construction, playing a crucial role in energy transition. To further expand the use of clean and low-carbon energy, we are actively incorporating solar energy into our operations, and continuously increasing the share of renewable energy in our energy mix.

The Phase I project is expected to generate an annual output of approximately

1.11 million kWh

Reducing greenhouse gas emissions by about

596 tCO₂e annually

The Phase II project is expected to generate an annual output of approximately

1.89 million kWh

Reducing greenhouse gas emissions by about

1,014 tCO₂e annually



The C&D Logistics Industrial Park, invested and constructed by our company, is located within the China (Shanghai) Pilot Free Trade Zone. The Phase I project, a 1MW distributed rooftop solar power system, adopts a "self-consumption with surplus power fed into the grid" model. The generated electricity will primarily be used to fulfill the daily operational needs of C&D Logistics (Shanghai) Co., Ltd, with a nearly 100% consumption rate. After being connected to the 400V distribution system through a 380V low-voltage interface, the Phase I project is expected to generate an annual output of approximately 1.11 million kWh, saving 136 tons of standard coal and reducing greenhouse gas emissions by about 596 tCO₂e annually. The Phase II project utilizes the BAPV installation method, seamlessly integrating the solar power system with the building's rooftop. Once operational, Phase II is projected to generate an annual output of approximately 1.89 million kWh, equivalent to saving 232 tons of standard coal and reducing greenhouse gas emissions by about 1,014 tCO₂e per year.



● Phase I Solar Power Station in Shanghai C&D Logistics Center

Investing in Green, Low-Carbon, and Eco-friendly Industries

We strongly support the national "dual carbon" and "dual reduction" policies, incorporating clean technology development into our core strategy. We continue to focus on investment in the green, low-carbon, and environmentally-friendly industries, actively connect resources across the upstream and downstream of the industrial chain, and provide full-cycle supply chain service solutions for our industrial clients. We continuously innovate and make changes in areas such as photovoltaic power station development, energy storage business expansion, and new energy vehicle sales, explore new models for deeper international supply chain cooperation and exchange, and promote the high-quality and sustainable development of our business.

Positioning in the Photovoltaic Industry

Our subsidiaries, C&D Clean Energy, C&D Emerging Energy, and C&D Hitek, operate across three major sectors of global product marketing, project development and investment, and clean energy supply chain and industry chain management. These companies continue to develop and construct distributed photovoltaic (PV) power stations for industrial and commercial use. As of the end of 2024, we have invested in PV power station projects (including completed and approved projects) with a total installed capacity exceeding 50MW and an investment amount of over 190 million RMB.

Highlight | Photovoltaic Power Station and Charging Pile Project at Xiamen National Accounting Institute

In 2024, the "Photovoltaic Power Station and Charging Pile Integration Project at Xiamen National Accounting Institute," invested by C&D Emerging Energy, was officially connected to the grid. The photovoltaic power station consists of 586 high-efficiency monocrystalline silicon modules (580W each) and 3 sets of 125KW inverters, connected to the academy's distribution system via a 380V low-voltage connection. The charging pile is equipped with 4 dual-gun charging piles, capable of simultaneously providing charging services for 8 electric vehicles. The photovoltaic power station operates in a "self-consumption and surplus power fed to the grid" mode, with a design life of 25 years. After commissioning, the project is expected to generate an average annual output of 380,000 kWh, saving approximately 47 tons of standard coal annually and reducing carbon dioxide emissions by about 204 CO₂e each year.



● Photovoltaic Power Station and Charging Pile Project at Xiamen National Accounting Institute

After commissioning, the project is expected to generate an average annual output of

380,000 kWh

reducing carbon dioxide emissions by about

204 tCO₂e annually

Investing in Biodiesel Projects

Biodiesel is a "green energy" source with characteristics such as excellent environmental performance, good engine start-up capability, superior fuel properties, wide availability of raw materials, and renewability. In 2024, our subsidiary, C&D Commodities, joined in the investment and establishment of a biodiesel joint venture. The joint venture plans to invest in and construct a second-generation biodiesel processing plant.

Facilitating Green and Smart Transportation

In 2024, we partnered with Farizon to engage in strategic cooperation across multiple areas, including the promotion of new energy commercial vehicles, green and low-carbon smart logistics services, energy supply, automotive supply chain, and financing leasing. Together, we are working to construct the demonstration project of "Green and Net Zero Emissions, Smart and Digital Transportations." The project focuses on promoting the use of new energy and methanol-hydrogen commercial vehicles in scenarios such as steel mills, power plants, mines, and medium-to-short-distance transportation, supporting the green and low-carbon transformation of the logistics and transportation industries. Additionally, we will collaborate on energy supply initiatives, including charging and swapping equipment, methanol production, and refueling, working together to drive the research and application of new energy technologies.

Promoting Residential Energy Storage Products

In 2024, MACALLINE established the Red Star Macalline Green Energy (Shanghai) Technology Co., Ltd., with a business scope covering R&D technologies on low-carbon emission reduction, energy storage technology services, and battery manufacturing, aiming to promote and popularize residential energy storage products through technological innovation. Green Energy (Shanghai) Technology plans to develop energy storage systems suitable for households, aiming to reduce the peak-to-valley difference in household electricity consumption, optimize energy utilization efficiency, and reduce dependence on the traditional power grid, thereby providing low-carbon transformation solutions for energy management in future smart homes.

Implementing Green and Low-Carbon Actions

We advocate for a minimalist, green, low-carbon, and healthy approach to operations and consumption, fostering employee awareness of resource conservation and environmental protection. We are committed to implementing green operations, green office practices, and sustainable transport initiatives.



Green Operations

In our operational management, we advocate for the use of eco-friendly, energy-efficient equipment, facilities, and materials to minimize unnecessary resource consumption. We also actively implement green procurement policies to drive our industry partners toward a collective low-carbon transformation.

Highlight | Strengthening Energy Efficiency Management

In 2024, C&D Property enhances energy efficiency management by issuing dedicated energy-saving orders through its Property Management System (PMS) to track the full implementation of energy-saving measures across projects. In 2024, C&D Property issued a total of 248 energy-saving orders, and achieved a completion rate of 96%. Additionally, the company integrated energy efficiency targets into the quarterly assessments of business units to reinforce energy performance management and drive the achievement of energy-saving and consumption-reduction goals.

In 2024

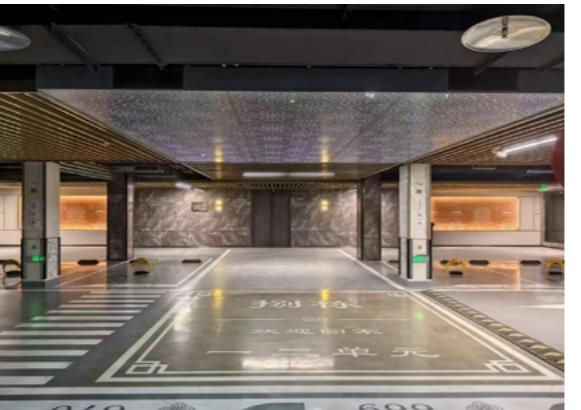
C&D Property issued a total of **248** energy-saving orders Achieved a completion rate of **96%**



Highlight | Energy-Efficient Starry Ceiling of Underground Garage

In 2024, C&D Property implemented an energy-efficient retrofit for the starry ceiling lighting systems in underground parking areas across its managed projects. The retrofit covered 435 points across 12 projects by optimizing the lighting system with voltage regulators and sensor devices, achieving an approximate energy-saving rate of 30% per point. This initiative effectively reduces energy consumption while maintaining lighting quality.

Achieving an approximate energy-saving rate of
30% per point



Energy-Efficient Starry Ceiling of Underground Garage

- Posting energy-saving reminders in public areas to encourage employees to turn off power before getting off work.
- Installing smart motion-sensing switches in stairwells, restrooms, and other public areas to automatically turn off lights when unoccupied, eliminating unnecessary energy use.
- Reducing the number of lights used in office when natural daylight is sufficient to minimize energy consumption.
- Prioritizing the use of fans over air conditioning during weekend overtime and strictly controlling the extension requests for air conditioning.

In our real estate projects ▾

In managing energy conservation and emission reduction in our real estate projects, we strictly control energy consumption and advocate for the use of energy-efficient equipment. Our key energy-saving and consumption-reduction practices include:

- Maximizing the use of natural site conditions when designing the layout of temporary office and living facilities to ensure optimal orientation, spacing, and window-to-wall ratios. Utilizing insulated composite steel panel walls, insulated roofs, and well-sealed, thermally insulated doors and windows for temporary facilities to minimize energy waste.
- Using energy-saving lighting as much as possible in construction sites, office areas, and living areas, with all indoor and outdoor lighting fixtures being energy-efficient.
- Setting specific on and off schedules for tower crane floodlights, office, and living area lighting, and adjusting switch times according to seasonal needs to reduce electricity consumption.
- Establishing a lighting operation, maintenance, and management system, analyzing electricity usage through power consumption records, and continuously improving energy-saving rates. The automatic on/off times for light strips and other lighting sources in public office areas are shortened to minimize energy consumption.
- Strictly controlling air conditioning usage, ensuring that indoor office temperatures are set no lower than 26°C in summer and no higher than 20°C in winter.
- Placing visible energy-saving reminders near power sources to encourage employees to develop energy-saving habits.
- Using solar energy as the primary source of hot water for showers in construction site dormitory, with electricity as a backup, to reduce energy consumption.
- Establishing maintenance, repair, and inspection systems for construction machinery and equipment, optimizing workflow scheduling to enhance machine utilization and maximize load efficiency.

Highlight | Application of Green Building Materials

We select building materials in compliance with national and regional environmental regulations and health safety standards, prioritizing the procurement of locally sourced, high-performance, recyclable, easily recoverable, and low-embodied-carbon green building materials. We promote the use of environmentally friendly materials such as bamboo charcoal fiber boards, foamed ceramics, triple-pane and two-chamber insulated glass, natural gypsum-based self-leveling flooring, gypsum plaster mortar, and Lafarge window sealing materials. Additionally, we continuously explore the feasibility of replacing traditional high-carbon building materials with low-carbon alternatives. Furthermore, we continuously refine supplier evaluation standards, give preference to suppliers that have obtained green building material product certifications, and collaborate with our suppliers to build a green value chain, creating safe, healthy, eco-friendly, and comfortable living spaces for our users.

3. The Green Building Material Product Certification is a nationally implemented classification system for green building materials, established in accordance with policy documents such as the Implementation Plan for Green Building Material Product Certification and the Notice on Accelerating the Promotion of Green Building Material Product Certification and Production Application, issued by the State Administration for Market Regulation, the Ministry of Housing and Urban-Rural Development, and the Ministry of Industry and Information Technology.

Green Office Practices

We fully implement a digital office system, providing online services for administrative management, human resources, financial management, and business applications. We enhance operational efficiency and foster collaboration to create a paperless smart office environment.

In our office ▾

We have established the "Xiamen C&D International Building Daily Safety, Energy Saving, and Environmental Hygiene Management Measures" to enhance energy efficiency and sustainability in our office. Our Green Office Task Force conducts daily inspections to ensure the effective implementation of energy-saving measures. Our key office energy-saving practices include:

Sustainable Transport

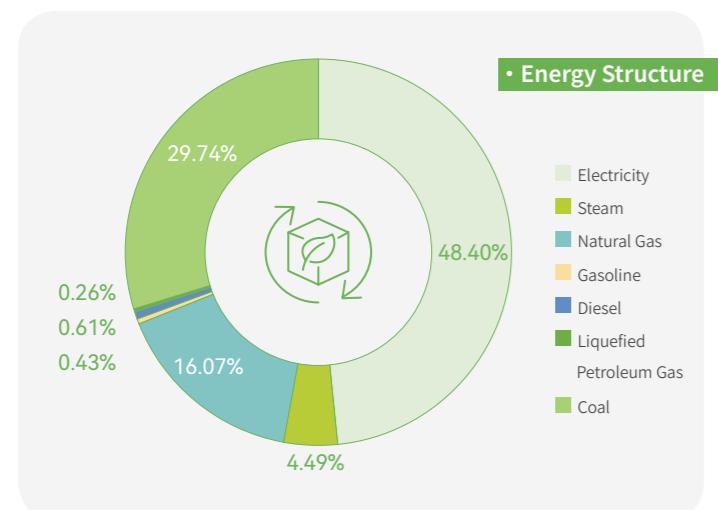
We actively promote the video conferencing and remote work for daily communication and collaboration to reduce greenhouse gas emissions from business travel. For official trips, we encourage employees to carpool and advocate for low-carbon travel.

Energy Usage

In 2024, we primarily consumed the energy resource of coal and electricity, which accounted for 78% of our total energy consumption.

Energy Consumption in 2024

Energy Type	2024	2023	2022	Total Energy Consumption in 2024(tons of coal equivalent)	Total Energy Consumption in 2023(tons of coal equivalent)	Total Energy Consumption in 2022(tons of coal equivalent)	Energy Consumption Proportion in 2024
Electricity (kWh)	1,720,332,433	947,373,073	259,624,703	211,429	116,432	31,908.9	48.40
Coal (t)	181,876	166,254	137,412	129,914	118,755	98,153	29.74
Natural Gas (m³)	52,767,011	39,117,790	105,488	70,180	52,027	140	16.07
Steam (t)	206,977	16,889	5,861	19,601	1,599	555	4.49
Diesel (L)	2,143,085	446,758	494,618	2,686	560	620	0.61
Gasoline (L)	1,728,416	701,654	914,023	1,857	754	982	0.43
Liquefied Petroleum Gas (kg)	667,938	6,560	1,323,280	1,145	11	2,269	0.26
Total				436,812	290,138	134,627	100.00



We recognize that efficient energy usage is a crucial element in achieving our carbon peaking and net zero goals. We are committed to implementing energy-saving transformations and optimizing energy structures across all production and operational processes, actively advancing energy conservation and consumption reduction efforts. In 2024, our subsidiaries, Universal Pulp and Paper and Xiangguang Copper, have a relatively significant energy consumption. To achieve energy savings and emission reductions, both factories have developed energy management systems, including the "Energy Management System," "Energy Statistical Analysis Management System," "Management Measures for Energy Conservation," and "Assessment System for Target Management of Energy Conservation," and strictly comply with environmental laws and regulations in their operations. Currently, both of these key energy management enterprises have obtained ISO 14001 Environmental Management System certification and ISO 50001 Energy Management System certification.

Energy Management Goals

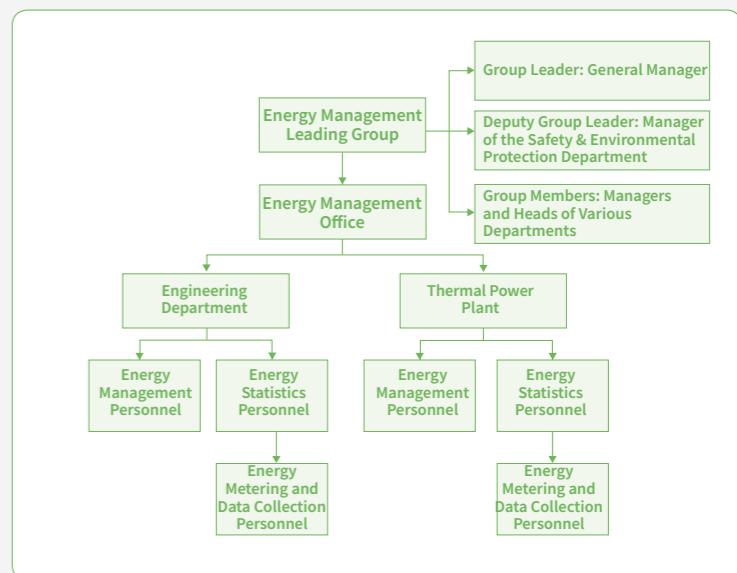
The key enterprises for energy management, Universal Pulp and Paper and Xiangguang Copper, actively conduct energy assessments and have set the comprehensive energy consumption reduction target for 2024.

Company Name	2024 Reduction Target for Comprehensive Energy Consumption	Achievement Status
Universal Pulp and Paper	Reduce total energy consumption by 2,000 tons of coal equivalent compared to 2023	Achieved
Xiangguang Copper	Reduce the comprehensive energy consumption of the sulfuric acid production process in smelting compared to 2023	Achieved

Energy Management Structure

To ensure effective energy management, Universal Pulp and Paper has established an Energy Management Leadership Team, led by the company's General Manager as the team leader, with the Environmental Health and Safety Department Manager serving as the deputy leader. Department heads and managers are also members of the team. The Energy Management Leadership Team oversees the Energy Management Office, which is located within the General Manager's office and is responsible for organizing, supervising, inspecting, and coordinating daily energy management activities. Each department and workshop (section or office) has appointed an energy management officer. The Finance Department has designated a specific person to handle energy statistics, who conducts daily energy consumption measurement, statistics, and analysis for each department.

Xiangguang Copper has established an Energy Efficiency Leadership Team, with an Energy Efficiency Office under its authority and responsible for executing the decisions of the leadership team and organizing various energy-saving management tasks.



○ Energy Management Structure of Universal Pulp and Paper

● Energy Management Practices

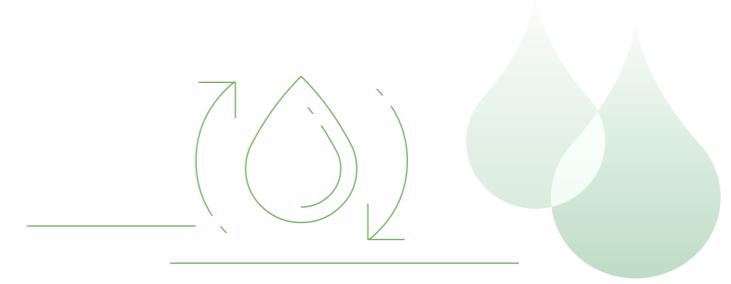
Universal Pulp and Paper places great emphasis on energy management and strives to achieve energy-saving goals through a comprehensive energy monitoring and management system. The main practices in energy management include:

- Setting energy-saving targets and breaking them down into specific tasks for each workshop.
- Signing energy-saving responsibility agreements to ensure the implementation of energy-saving tasks and effectively carry out energy management work.
- Conducting daily statistics and monthly summary analyses of internal energy consumption, and providing energy consumption analysis reports.
- Establishing an energy-saving reward and penalty system, using regular inspections and random checks to evaluate the energy management system. Issues found during inspections are penalized according to the system. A "Rationalized Suggestions" system is in place to reward employees who actively propose energy-saving ideas and plans based on their implementation results. A performance bonus system is also established to calculate the actual energy consumption costs of each department monthly, rewarding departments and employees who consume less energy than the company's limits.
- Developing an energy management training plan covering energy-saving concepts, technologies, and statistical techniques.
- Professional training is provided for relevant managers and key energy-consuming equipment operators to enhance their expertise.
- Conducting energy-saving education through various channels such as meetings, bulletin boards, and other promotional means to raise employees' awareness of energy conservation and reduction.

Usage of Water Resources

We prioritize water resource management and strictly abide by the laws and regulations such as the Water Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and the Law of the People's Republic of China on Prevention and Control of Water Pollution. We strengthen water resource risk assessment and monitoring, establish a water-saving leadership team, and promote detailed water management practices.

Our water consumption mainly comes from the production activities at factories within our supply chain operations. Xiangguang Copper, a key enterprise in our water resource management, prepares an annual water usage plan, tracks daily water intake, usage, and discharge, and optimizes the allocation of surface water and reclaimed water to ensure a stable supply and reduce water resource usage risks. Additionally, Xiangguang Copper actively promotes technologies such as reclaimed water reuse, magnetic flocculation wastewater treatment, and ultrafiltration concentrate water reuse to reduce fresh water consumption and improve recycling levels. The company has established a graded wastewater treatment and reuse system, using efficient wastewater treatment equipment to recycle treated water for production, minimizing water resource consumption.



In our real estate business ▾

We actively explore measures for water resource recycling and strive to reduce water consumption. We strictly implement sponge city construction requirements and widely apply green technologies such as rainwater harvesting, reclaimed water utilization, and ecological water landscapes in our project developments to improve water resource efficiency and conserve water.

- Leveraging rainwater collection systems, we effectively capture rainwater from rooftops, ground surfaces, and pavements, which is then purified and used for landscaping irrigation, facility cleaning, and other non-potable water needs, reducing tap water consumption and alleviating urban drainage pressure.
- We recycle high-quality mixed wastewater through a reclaimed water system and treat it for reuse to meet daily needs such as toilet flushing, landscaping irrigation, and fountain operations.
- In new projects, we incorporate sponge facilities such as sunken green spaces, permeable pavements, and rain gardens to store and gradually release rainwater, thereby reducing irrigation water for plants, improving water resource utilization, and capturing suspended solids to optimize the ecological environment of the community.

Highlight | Water Resource Recycling in Real Estate Projects

The Xiyun Project in Wuxi, adheres to the concept of sustainable development and strictly implements the requirements for sponge city construction. It enhances rainwater collection, retention, infiltration, and recycling in line with the site conditions. The sponge city design area of the project is 55,006m². The project strengthens the site's rainwater storage and retention capacity by strategically constructing rain gardens, sunken green spaces, and permeable pavements. Additionally, a rainwater retention pond has been built, with a total storage capacity of 879m³. The project controls approximately 80% of the annual runoff volume, with the collected rainwater mainly used for landscaping irrigation and road spraying, totaling about 14,251m³ annually. This effectively reduces rainwater discharge and alleviates pressure on municipal drainage systems. The application of sponge facilities improves site drainage conditions and helps mitigate the urban heat island effect to some extent, optimizing the regional ecological environment.



● Rain Garden of C&D Xiyun Project in Wuxi



● Permeable Pavement of C&D Xiyun Project in Wuxi



● Sunken Green Spaces

Pollutant Discharge

We strictly comply with the "Air Pollution Prevention and Control Law of the People's Republic of China," the "Water Pollution Prevention and Control Law of the People's Republic of China," the "Soil Pollution Prevention and Control Law of the People's Republic of China," the "Law of the People's Republic of China on the Prevention and Control of Noise Pollution," and other relevant laws and regulations. We continuously strengthen the emission management of exhaust gas, wastewater, and noise to reduce pollutant discharge.

Exhaust Gas Emission Management

We generate exhaust gas primarily from construction activities in our real estate operations and pulp and paper production of our subsidiaries. The main air pollutants include dust, sulfur dioxide, and nitrogen oxides.

In our real estate business ▾

The exhaust gas and dust produced during construction are common pollutants that can impact the surrounding environment and human health. We implement a series of proactive measures to manage and control the emission of construction-related exhaust gases and dust. In 2024, all ongoing projects achieved compliant emissions, and dust levels at construction sites met the requirements of the "Ambient Air Quality Standards (GB3095-2012)." We adopt the following key measures for dust management:

- Deploying a multi-point sprinkler system to achieve comprehensive dust suppression across all areas.
- Utilizing real-time dust monitoring sensors for PM2.5 detection, which automatically trigger the sprinkler system to maintain air quality.
- Implementing an automatic high-pressure vehicle washing system at site exits to reduce road dust pollution.
- Optimizing waste disposal channels with misting systems at discharge points to minimize dust dispersion.
- Conducting mortar mixing in enclosed facilities equipped with overhead sprinklers to control dust effectively.
- Installing dust control signs to categorize pollution levels in advance, and enabling targeted dust control strategies.
- Covering exposed soil areas with turf and protective mesh, supplemented by water spraying to ensure comprehensive dust mitigation.



● Dust Monitoring Equipment



● Green Mesh Coverage for Bare Soil



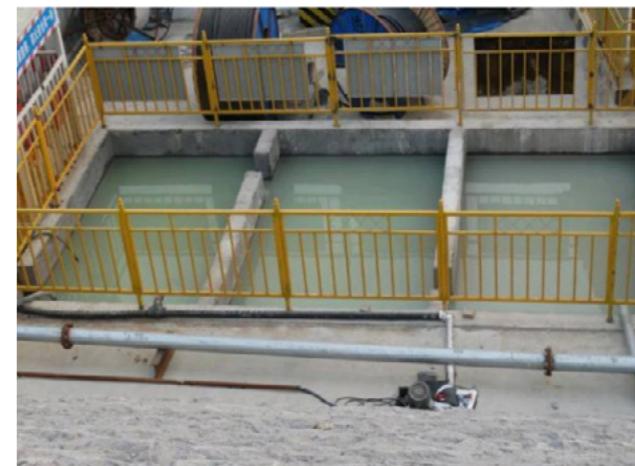
● High-Rise Sprinkler System

During the pulp and paper production process ▼

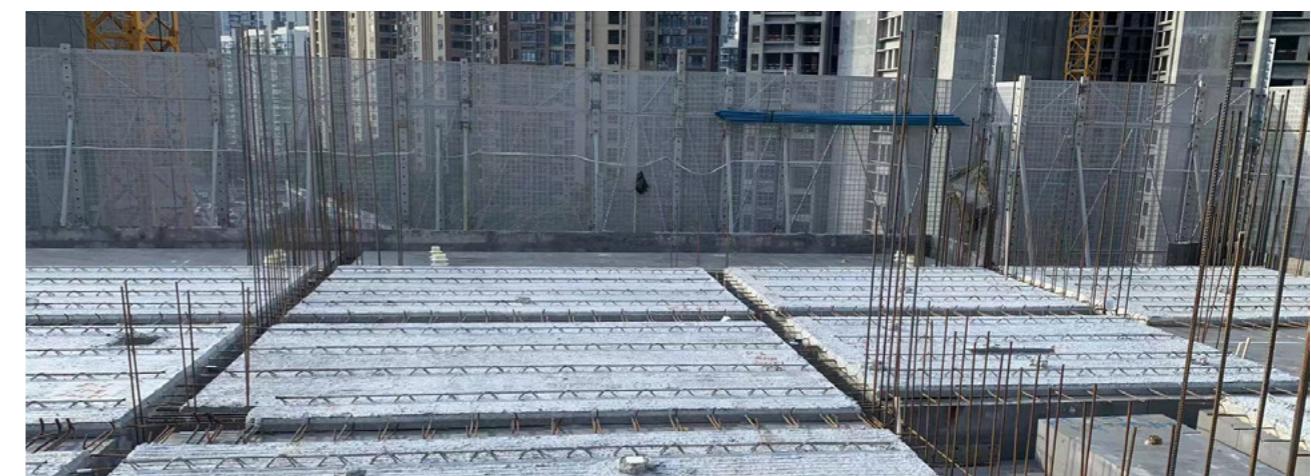
Air emissions primarily originate from boiler flue gas in power plants and fugitive emissions. The main pollutants include sulfur dioxide (SO₂), nitrogen oxides (NO_x), and particulate matter. To standardize the management of air emissions and minimize their impact on employees and local communities, we implement the following air emission control measures:

- Establishing strict process operation procedures, regulations, and emergency response plans, and forming a professional team responsible for the operation and management of boiler flue gas desulfurization, denitrification, dust removal facilities, and online monitoring systems.
- Using high-quality coal as fuel, and ensuring the sulfur content of coal entering the boiler remains below 1% to reduce pollutant generation.
- Implementing ultra-low emission technology in power plants, and strengthening maintenance and management of desulfurization, denitrification, and dust removal facilities to improve treatment efficiency.
- Adopting flue gas treatment technologies such as low-nitrogen combustion, selective non-catalytic reduction (SNCR) denitrification, baghouse dust collection, limestone-gypsum wet desulfurization, and wet electrostatic precipitators.
- Applying a chemical scrubbing and biofiltration purification process to treat exhaust gases generated during the wastewater treatment process.
- Installing automated monitoring equipment at exhaust outlets, which are connected to the environmental authorities, and engaging third-party professional agencies to manage monitoring equipment operations and ensure data accuracy.
- Implementing boiler low-load operation retrofitting projects by covering the water-cooled walls and water-cooled screen heating surfaces, modifying the secondary air ports, and installing soot blowers on the air preheater to improve air preheater energy efficiency and reduce nitrogen oxide emissions.

- Each project sets up a three-stage sedimentation facility on the construction site, where construction wastewater is collected, sedimented, and either recycled or discharged after meeting the standards.
- Prefabricated construction is applied to reduce wastewater generated from on-site mixing of concrete.
- Rainwater recovery devices are installed at construction sites, and an efficient discharge system is established to ensure the separation of rainwater and wastewater networks, strictly prohibiting the discharge of non-rainwater bodies into the municipal rainwater system.
- Special storage rooms are set up, and the ground is treated for impermeability, along with other measures to strengthen the management of oil and chemicals stored on-site, preventing oil spillage, overflow, dripping, or leakage. Random disposal of oil is strictly prohibited to ensure that water and soil resources are not contaminated.



● Sedimentation Tanks for Three Stages of Wastewater Treatment



● Prefabricated Construction

● Wastewater Discharge Management

The wastewater generated from our operations mainly comes from the construction process of our real estate business and the pulp and paper production activities of our subsidiaries. The primary pollutants in the wastewater are COD and ammonia nitrogen. We are actively building a wastewater treatment plant that meets environmental protection standards. Through wastewater treatment processes, we treat and recycle the wastewater to ensure reduction in wastewater and compliance with discharge standards.

In our real estate business ▼

wastewater primarily comes from domestic sewage and construction wastewater generated by workers and on-site construction activities. We pay close attention to wastewater discharge management. In 2024, our ongoing projects, including the Quanzhou Green Building E-Valley Project (Phase I) and Zhangzhou Intelligent Auto E-Valley Project (Phases I, II, III) developed by Fujian Southwos CiCooperativo Dovelcpmont Group Co., Lt., the Xiamen Zhenhuafu Project, and the Xiamen Zhenyue Project, all obtained wastewater discharge permits. During the construction period of these projects, we implemented strict wastewater discharge management measures to ensure efficient treatment and environmentally friendly discharge. In 2024, we discharged wastewater from our ongoing projects in accordance with the "Integrated Wastewater Discharge Standard" (GB8978-2002) and achieved the compliance with discharge standards.

In 2024

We discharged wastewater from our ongoing projects in accordance with the "Integrated Wastewater Discharge Standard" (GB8978-2002) and achieved the compliance with discharge standards.



During the pulp and paper production process ▼

Wastewater mainly comes from paper-making wastewater, mid-stage pulping wastewater, boiler discharge, domestic sewage, and rainwater, with main pollutants including COD and ammonia nitrogen. We have formed a professional team responsible for wastewater treatment and online monitoring across the entire plant and established a laboratory to test wastewater parameters. At the discharge points, we have installed automatic monitoring equipment connected to the ecological environment authority's network to monitor wastewater quality in real time. Additionally, we entrust third-party professional agencies with the operation of monitoring equipment to ensure accurate and reliable data. We also emphasize the management of water recycling through applying a process at the wastewater treatment station that combines pretreatment, anaerobic treatment, biological film, aeration tanks, and secondary settling tanks. The pre-treated wastewater is then discharged to the municipal wastewater treatment plant for further processing to meet discharge standards.

In 2024

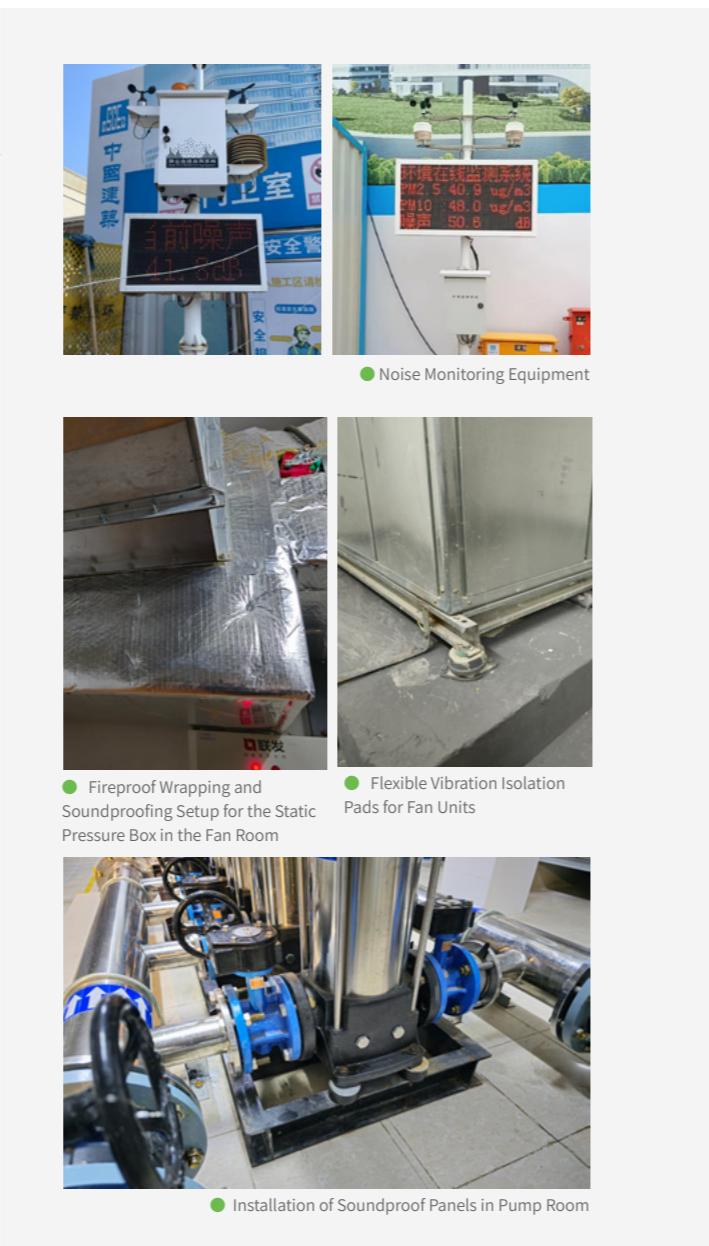
we proactively carried out maintenance and operational management of wastewater treatment facilities, including clearing and descaling gas-liquid separators, repairing anaerobic towers, maintaining water distribution systems, and replacing damaged pipes to ensure the stable operation of wastewater treatment systems.

Noise Management

The noise generated during our operations mainly comes from equipment rooms and construction sites of real estate development. We attach great importance to noise control at construction sites and actively take corresponding measures to manage the noise generated during construction activities, ensuring that noise management complies with national and regional standards. In 2024, during the construction of ongoing projects, we strictly adhered to the requirements of the "Emission Standard of Environment Noise for Boundary of Construction Site" (GB12523-2011), achieving compliance with the emission standards.

The main measures we take for noise management at construction sites and equipment rooms include:

- Installing noise monitoring equipment at construction sites to continuously monitor noise levels, ensuring that construction activities comply with relevant noise emission standards.
- Choosing low-noise construction machinery and processes, avoiding the simultaneous use of high-noise equipment to reduce localized sound level exceedance.
- Setting up enclosed soundproof barriers around mixing machines with high-noise, and implementing fully enclosed construction during the interior decoration phase of commercial complexes and small businesses.
- Strictly managing the random moving noise sources from vehicles transporting materials, ensuring that transportation vehicles are in good technical condition, with securely fastened parts to prevent unnecessary noises such as brake squeals.
- Arranging construction time periods reasonably based on the specific conditions of nearby schools, hospitals, residential areas, etc., and prohibiting nighttime construction. In exceptional cases, a nighttime construction permit must be obtained, and nearby community residents should be notified.
- Before performing cutting, vibration, or other construction operations in areas with concentrated residents or organizations, in addition to obtaining approval as required, the operation plans, impact scope, and mitigation measures must be communicated to nearby residents and organizations.
- Using fireproof wrapping with soundproofing functions for the fan room's static pressure box, and installing specialized flexible vibration damping pads underneath the fan units to reduce the noise generated from equipment rooms during the operation of residential projects.
- Installing high-performance soundproof panels around the pump room and providing high-performance vibration damping pads for the pump units inside the pump room.



Highlight | Quiet Residences of C&D Real Estate

C&D Real Estate adopts a comprehensive noise control solution covering partition walls, floor slabs, exterior windows, entrance doors, interior doors, drainage, air conditioning, and more. The multi-layered, all-encompassing soundproofing system creates quiet residences, providing homeowners with a peaceful and comfortable living environment. The noise control measures for the quiet residences include:



Waste Disposal

We strictly observe the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes," the "Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill," "Standard for Pollution Control on Hazardous Waste Storage," and other national and local laws and regulations related to solid waste, continuously improving and enhancing our waste management system. We follow the principles of reduction, valorization, and harmlessness, and strive to minimize the generation of various types of waste during our business operations.

General Waste

The general waste produced during the company's operations primarily comes from construction activities in real estate and from the paper and pulp production of our subsidiaries. The main types of general waste include construction waste, industrial waste, and domestic waste. We adhere to the principle of resource utilization for waste and take a series of measures to reduce resource consumption and waste generation.

In our real estate business ▼

Our construction waste management measures for ongoing projects mainly include:

- Establishing dedicated temporary storage areas for waste, classifying and storing waste separately, with potentially hazardous waste stored independently and secured with safety measures and clear signage. Training sessions on waste disposal are organized to help site personnel understand the company's waste disposal regulations and improve environmental awareness.
- Setting up closed waste stations at construction sites, equipped with misting dust suppression devices and dust barriers that are regularly cleaned.
- Managing waste by categories such as recyclable and non-recyclable for transportation, and locally treatable waste. For example, broken bricks and brick debris are crushed on-site and used for basement foundation backfilling.



● Collection Pit for Construction Waste



● Closed Storage in Construction Waste Collection Station

During the pulp and paper production process ▼

We use advanced production techniques and equipment to reduce raw material consumption and waste generation. Additionally, we have established a waste classification and recycling system. We utilize general solid waste such as fly ash, slag, and desulfurization gypsum as raw materials for the company operating in building materials. Paper waste is reused in the projects of comprehensive utilization of paper waste, while waste plastics, waste paper pulp, and waste metals are sold as raw materials, achieving resource utilization of waste and reducing resource consumption and environmental pollution.

Moreover, for the domestic waste generated during operations, we implement the following management measures:

- Strictly implementing waste classification at the source (including paperless office practices and prohibition on the use of disposable products, etc.). Waste classification bins are set up in the office building's tea rooms and freight elevator lobbies, with regular staff training to promote waste classification.
- Advocating for paperless office practices to reduce the circulation and printing of paper documents, thus lowering the generation of office waste.
- Setting up designated waste collection points within the communities we manage, equipped with clearly labeled and color-coded waste classification containers. Hazardous waste collection bins are treated to prevent leakage, avoiding secondary pollution. The property management team coordinates and manages the collection, transportation, and disposal of community household waste.

Hazardous Waste

We generate hazardous waste primarily from the construction activities in our real estate business and the production processes at our subsidiary factories. The main hazardous wastes include waste mineral oils, used oil drums, etc.

In our real estate business ▼

We transport toxic and harmful waste to specialized hazardous waste treatment centers and prohibit the melting of asphalt or the burning of waste on construction sites.

During the pulp and paper production process ▼

We strictly implement internal management systems such as the "Responsibility System for Hazardous Waste Pollution Prevention and Control," overseeing all stages of hazardous waste generation, storage, utilization, and disposal. Hazardous waste is entrusted to qualified companies for disposal. For the sludge produced during production, we co-incinerate it with coal as fuel for the boiler. For residual sludge and bottom ash that are difficult to utilize, we entrust qualified third-party agencies for incineration disposal.

Environmental Compliance Management

We strictly comply with the "Environmental Protection Law of the People's Republic of China," the "Environmental Impact Assessment Law of the People's Republic of China," and other relevant laws and regulations of the locations where we operate. We have established and strictly adhere to policies such as the "Environmental Protection Policy," which sets regulatory requirements for our operations and those of our subsidiaries in areas such as pollutant discharge reduction, water resource protection, and biodiversity conservation. We continue to advance the development of our environmental management system, and all our manufacturing enterprises have now been certified with the ISO 14001 Environmental Management System.

In 2024

we did not experience any major environmental incidents or receive any environmental-related administrative penalties.

Environmental Emergency Management

We implement the provisions of the "Emergency Response Law of the People's Republic of China," the "Contingency Plan for Environmental Emergencies," the "Measures for the Administration of Contingency Plan for Environmental Emergencies," and other relevant laws, regulations, and guidelines. We have developed comprehensive emergency response plans such as the "Comprehensive Contingency Plan for Environmental Emergencies" and the "Special Contingency Plan for Hazardous Waste Environmental Emergencies," as well as an annual environmental emergency drill plan. Through active drills for environmental incidents, we aim to prevent and minimize the environmental harm caused by such events, enhance our emergency response and handling capabilities, and effectively ensure public health and environmental safety.

In 2024, our key safety-focused subsidiaries conducted 31 environmental emergency drills, covering scenarios such as natural gas leaks, hazardous chemical spills, underground oil tank leaks, environmental facility failures or shutdowns, sudden ozone leaks, wastewater pipeline leaks, and solid waste spills.

Our key safety-focused subsidiaries conducted

31

environmental emergency drills



Environmental Risk Control

We follow the risk management system and process to identify and assess the environmental risks that our operations may face. Additionally, we periodically conduct specific project-based risk identification and assessments to determine the risk levels and implement corresponding control measures to mitigate potential environmental risks.

Our critical environmental management subsidiaries, Universal Pulp and Paper, has established a comprehensive environmental risk management framework which clearly defines the responsibilities at each level:

- The general manager reviews environmental risks and opportunities from a strategic perspective.
- The management team organizes departments to conduct specific risk and opportunity assessments according to the established review cycle.
- The General Administration Department is responsible for establishing control procedures for addressing risks and opportunities, tracks the effectiveness of measures, and compiles risk and opportunity evaluation reports, risk handling forms, and other relevant documents.
- Each relevant department is responsible for assessing the risks and opportunities within their scope, as well as formulates and implements corresponding measures.

Highlight | Hazardous Chemical Spill Drills

Due to the explosive, flammable, toxic, corrosive, and radioactive properties, hazardous chemicals pose significant safety risks during transportation, handling, usage, storage, and management. In 2024, Xiangguang Copper and Universal Pulp and Paper, subsidiaries of the company, conducted hazardous chemical spill drills to assess the adequacy and effectiveness of existing emergency response plans and to enhance employees' ability to handle environmental emergencies and coordinate response efforts. During the drills, all participating units responded swiftly and acted in an organized manner in strict accordance with the emergency response plans. Following the exercises, training and educational activities were conducted to reinforce employees' understanding of emergency response measures, ensuring they master the correct and scientific approaches to prevent secondary hazards.



Hazardous Chemical Spill Drill

Environmental Protection Culture

We actively organize environmental training sessions, lectures, and themed activities to enhance employees' awareness of environmental protection. In 2024, we conducted multiple environmental training programs including hazardous waste awareness education, promotion of cleaner production audit, and advocacy activities in World Environment Day.

Circular Economy

Developing a circular economy is a major national strategy for China's economic and social development. It plays a vital role in ensuring national resource security, accelerating the transformation of economic development models, and promoting ecological civilization and high-level environmental protection. In 2024, the CPC Central Committee and the State Council issued the "Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development," which called for the vigorous development of the resource recycling industry. As a leading supply chain and real estate operator in China, we actively engage in circular economy initiatives, promote resource recycling, and contribute to building a green, low-carbon, and circular economic system.

Recycling and Utilization of Non-Ferrous Metals

The recycling of non-ferrous metals and other energy-intensive materials can significantly reduce carbon emissions generated across the value chain, including raw material extraction, transportation, and production. Leveraging our professional strengths in international trade, we have actively expanded into the non-ferrous metal recycling business, aiming to reduce waste and greenhouse gas emissions while promoting the development of a circular economy. In 2024, our non-ferrous metal recycling business, including recycled aluminum, recycled aluminum alloys, and recycled copper, achieved a revenue of 760 million RMB. We recovered approximately 47,000 tons of secondary metals in total, with about 35,000 tons imported into China.

Achieved a revenue of

760 million RMB

Recovered secondary metals, approximately

47,000 tons in total

Imported into China with about

35,000 tons

Developing Green Businesses

We actively develop green businesses, aiming to enhance resource efficiency and minimize carbon emissions across the full life cycle of materials and products. Through these efforts, we contribute to climate change mitigation and to the building of a green, low-carbon, and circular society.

Scrap Steel Recycling

We have extended our operations along the upstream and downstream segments of the steel industry chain by engaging in scrap steel recycling and processing. These efforts help our partner steel mills improve their scrap utilization efficiency and advance the industry's transition toward green and low-carbon development. Around key partner steel mills, we have planned and established multiple integrated scrap steel industry bases across China. These bases combine functions such as storage, processing, distribution, and settlement. We have become a strategic partner to several major steel enterprises, including Baogang Group, Shougang Group, and Anben Steel Group. Our million-ton demonstration bases located in Benxi, Baotou, Tangshan, and Tianjin have all obtained certification under the Ministry of Industry and Information Technology's "Access Requirements for Scrap Steel Processing Industry." These bases are capable of meeting the scrap steel demand of steel mills within a 100-kilometer radius. In 2024, the total volume of scrap steel contracts filed by the company exceeded 1 million tons.

In 2024

the total volume of scrap steel contracts filed by the company exceeded

1 million tons

Waste Paper Recycling

We actively engage in waste paper recycling and use the collected paper to produce coated paper, kraft board, and various other paper products. This initiative is aimed at reducing the consumption of natural resources such as timber. Additionally, we recycle waste pulp generated during production processes to substitute virgin materials, thereby minimizing resource waste. In 2024, the total volume of recycled waste paper reached 380,000 tons, which is estimated to have saved approximately 6 million mu of forest land from deforestation.

The total volume of recycled waste paper reached

380,000 tons

Estimated to have saved approximately

6 million mu of forest land from deforestation

Waste Oil Recycling

Through the high-quality services of the LIFT supply chain, we have established long-term strategic partnerships with multiple biodiesel and waste oil refining enterprises across China. Together, we carry out the comprehensive recycling and utilization of waste oil resources, such as gutter oil and kitchen waste oil. Waste oil recycling helps prevent gutter oil from re-entering the food supply chain, thereby protecting public health. The recycled oil is repurposed into biodiesel, industrial lubricants, soap, and other products, contributing to resource circulation and environmental protection. In 2024, we exported 500,000 tons of industrial-grade mixed oil and 150,000 tons of first-generation biodiesel.

Exported industrial-grade mixed oil

500,000 tons

First-generation biodiesel

150,000 tons

Resource Recycling and Utilization

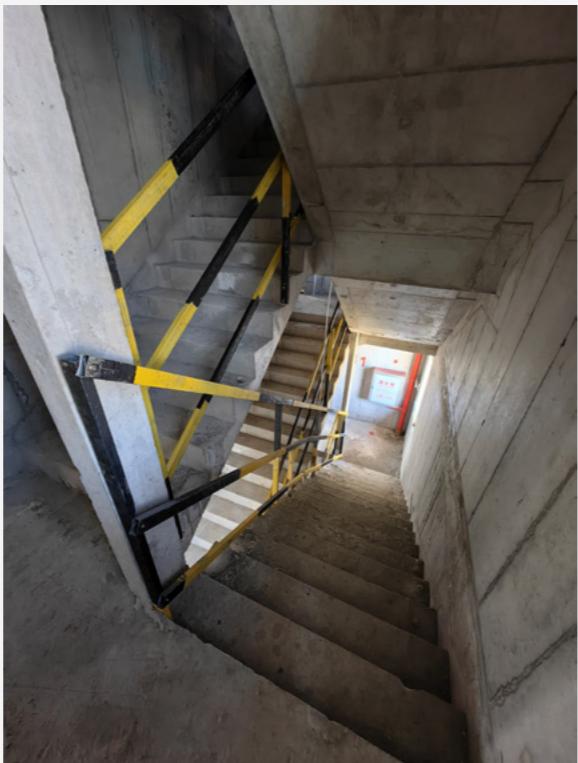
Recycling of Construction Materials

To reduce resource consumption, we have adopted multiple measures to promote the recycling and efficient use of construction materials:

- Maintain a centralized materials ledger managed by project departments, with strict quota-based distribution controls.
- Establish dedicated recycling teams responsible for collecting and sorting scattered materials on construction sites, ensuring their effective reuse.
- Conduct joint reviews for specialized plans related to scaffolding and formwork to optimize construction schedules, increase turnover rates of reusable materials, and reduce the use and waste of non-permanent materials.
- During the later stages of interior finishing, follow the principle of "use long pieces for long purposes and avoid cutting long pieces for short needs" to control material usage and promote rational consumption.
- Encourage the reuse of standardized facilities and modular site accommodations within project departments to further enhance the efficiency of material recycling.



Reuse of Standardized Facilities and Modular Site Accommodations within Project Departments



Recycling of Office Resources

We actively promote green office practices by integrating low-carbon principles into daily operations and encouraging the recycling of office resources:

- Promote paperless office systems to reduce the consumption of paper and ink while streamlining workflows and improving efficiency.
- Encourage black-and-white and double-sided printing, and set up dedicated bins for reusable paper to prioritize the use of recycled sheets.
- Implement a "trade-in" policy for printer cartridges and other consumables to reduce resource waste.
- Allocate at least 30% of procurement for items such as printer paper and pencils to products made from recycled materials.
- Task property management teams with daily inspections of office areas, meeting rooms, and other common spaces to collect and redistribute reusable office supplies to departments in need.
- Conduct regular warehouse inventories to repair and repack old or damaged items that are still usable, allowing them to be put back into use. Items with low utilization or that remain idle are donated to public welfare programs or repurposed for employee activities to maximize their value.



Paper Recycle

Highlight | Green Marketing

The Lianfa Cloud Store, designated as the official online marketing platform of Lianfa Group, enables a systematic digital marketing approach. By leveraging its comprehensive platform functions, it significantly reduces or replaces the use of traditional offline promotional materials such as printed posters, project brochures, and floor plans, thereby minimizing paper consumption and supporting more sustainable marketing practices.



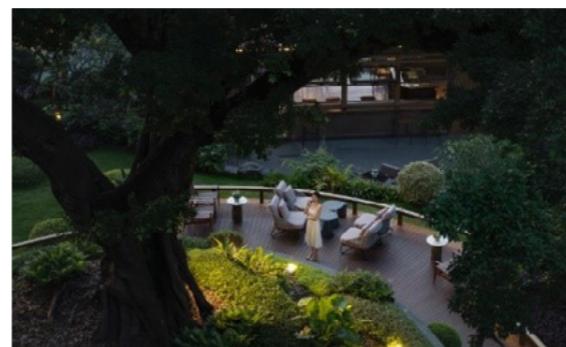
Online Marketing Stream

Ecosystem and Biodiversity Protection

We place great importance on ecological and biodiversity protection and strictly comply with relevant environmental laws and regulations, including the "Environmental Protection Law of the People's Republic of China," the "Law of the People's Republic of China on the Protection of Wildlife," and the "Regulations of the People's Republic of China on Wild Plants Protection." We have strengthened our ecological risk management to ensure that all business activities meet ecological and environmental protection requirements and do not cause damage to natural ecosystems. We actively promote the development of ecological management systems and encourage our subsidiaries and stakeholders to strictly implement ecological protection standards. We strictly prohibit the use of rare or endangered plants and animals as raw materials, as well as the use of endangered animals for experimental purposes, to ensure that our production and operations align with the principles of ecological sustainability. As we expand our business, we continue to optimize ecological management measures, promote green and low-carbon operations, minimize impacts on ecosystems and biodiversity, and support the long-term stability and resilience of natural ecosystems.

Highlight | Protection of an Ancient Banyan Tree

At the Longyan C&D Manyun Project site, an ancient banyan tree over 400 years old was preserved in place through a light-touch renovation approach. An elevated wooden platform was built around the tree pool to protect the tree on-site. The project uses the ancient banyan as a central ecological element. By adopting a terraced landscape design that connects various functional zones of the residential community, the banyan tree has become both the visual and ecological focal point of the area. This design enriches the local biodiversity and creates a space where nature and culture coexist, offering residents a peaceful place for rest and interaction.



● Protection of an Ancient Banyan Tree



Highlight | Tree Planting Campaign



● Tree Planting Activity in Renhe Village

In March 2024, C&D Property launched a tree planting campaign themed "As Spring Thaws, Hope Blooms," promoting ecological and environmental protection. Property service staff led residents through a hands-on gardening workshop where participants learned basic horticultural knowledge, planted saplings, and adopted green plants. The activity effectively raised residents' awareness of ecological conservation and encouraged greater community engagement in environmental protection.

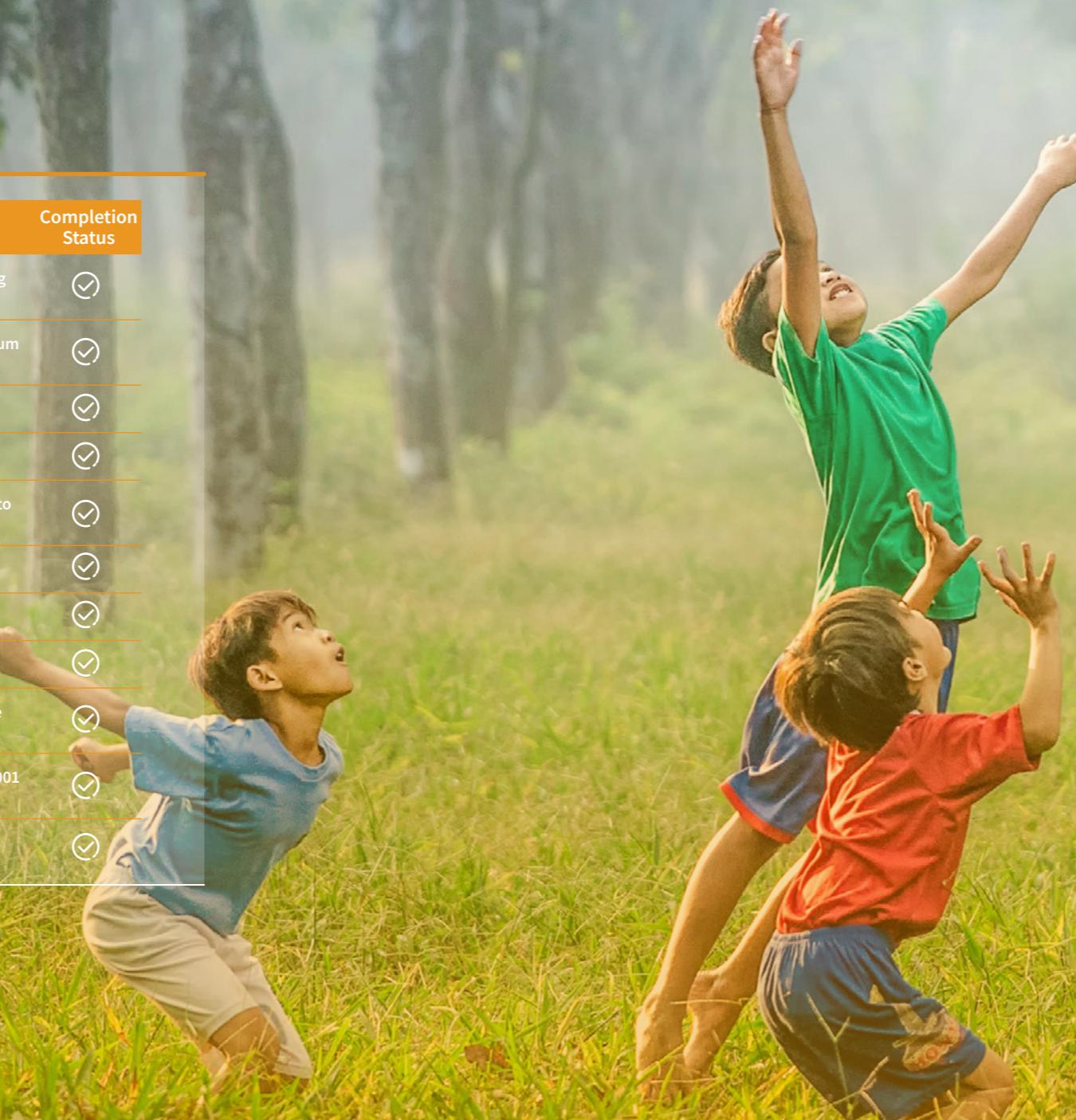


● "As Spring Thaws, Hope Blooms" Tree Planting Activity

Social

Social Performance Targets in 2024		Completion Status
1	Actively conduct community engagement with 100% of operational sites organizing annual communication with local communities	✓
2	Organize no fewer than 250 volunteer activities throughout the year, with a minimum of 5,000 volunteer service hours	✓
3	No litigation cases resulting from infringement of intellectual property rights	✓
4	Gradually incorporate CSR/ESG requirements into supplier entry criteria	✓
5	Establish a supply chain risk management system to identify, assess, and respond to potential risks	✓
6	No incidents of customer privacy infringement during the year	✓
7	Zero penalties related to health and safety impacts of products and services	✓
8	Provide an average of no less than 10 training hours per employee annually	✓
9	Ensure 100% of employees are covered by safety training programs throughout the year	✓
10	Ensure 100% of affiliated manufacturing enterprises are certified under the ISO 45001 Occupational Health and Safety Management System	✓
11	Zero major or extremely severe accidents during the year	✓

✓ Completed ➡ In Progress ✘ Unfinished



02

Rural Revitalization and Social Contributions

We uphold the brand philosophy of "Together Go Beyond" by integrating the United Nations Sustainable Development Goals (SDGs) into our corporate development strategy and actively supporting China's national policies on agriculture, rural areas, and farmers. We have established a "Community Policy" that outlines a systematic, three-pronged collaborative mechanism built on needs feedback, risk management, and outcome sharing. Centered around four key pillars of industrial chain extension, education empowerment, child welfare, and livelihood support, our efforts aim to foster deep collaboration between the company and the communities we serve. By promoting circular use of resources, co-creation of value, and mutual development, we work together with communities to build a more sustainable society.

Industrial Revitalization and Rural Development

Rural revitalization is a key pathway to achieving common prosperity and a necessary step toward the modernization of agriculture and rural areas. Leveraging our industrial strengths, we actively support consumption-driven assistance and the national rural revitalization strategy. We promote the development of rural industries and the improvement of rural infrastructure, while enhancing local governance capabilities. By supporting the growth of distinctive rural industries and fostering livable and business-friendly rural communities, we drive high-quality rural development from a strategic, long-term perspective, and inject sustained momentum into the comprehensive advancement of rural revitalization.

Highlight | Exploring Win-Win SOE-Village Enterprise Collaboration in Agri-Cultural-Tourism Integration

Renhe Village, located in Tingxi Town of Tong'an District, is recognized as one of Xiamen's Ten Most Beautiful Villages and boasts rich cultural and tourism resources. In alignment with the national rural revitalization strategy, we have established a partnership with Renhe Village to provide targeted assistance. Leveraging the village's distinctive local resources, we have adopted a tripartite support model of "industrial assistance, consumption-driven assistance, and charitable assistance" to explore an integrated development path that combines agriculture, culture, and tourism, fostering a win-win cooperation between state-owned and village enterprises. This approach aims to stimulate endogenous rural vitality and build a sustainable rural economic ecosystem.

In 2024, based on the village's specific context, we launched a series of targeted initiatives. We donated 2 sightseeing vehicles to improve local tourism infrastructure, enhancing visitor



Rural Revitalization Plan in Renhe Village



reception capacity and optimizing the tourism experience to support the growth of Renhe Village's cultural and tourism sector. We also organized activities involving nearly 300 employees, including training sessions, team-building events, annual meetings, and tree-planting activities. In addition, we helped boost rural consumption and employment by purchasing over 5,500 kilograms of locally produced rice, thereby supporting stable sales channels for agricultural products and promoting the development of rural service industries. Beyond material support, we conducted home visits and care programs for disadvantaged villagers, providing both physical supplies and emotional support to enhance community well-being. We also led assistance coordination meetings and joint Party lectures, engaging in on-site visits, field research, discussions, and public welfare campaigns to support local agriculture. These efforts enabled us to gain in-depth understanding of the village's needs, precisely align resources, and collaboratively develop a phased strategy for rural revitalization tailored to local conditions and grounded in practical actions.

Highlight | Advancing Industrial Development and Consumption-Driven Assistance in western China

Since 2021, C&D Hengrong, a subsidiary of the Company, has participated in East-West industrial collaboration initiatives to support industrial development and consumption-driven assistance in western China. In 2024, the consumption assistance program in which C&D Hengrong was involved, was selected in the "2023 National Compilation of Typical Cases on Consumption-Driven Support for Rural Revitalization," published by the National Development and Reform Commission (NDRC).

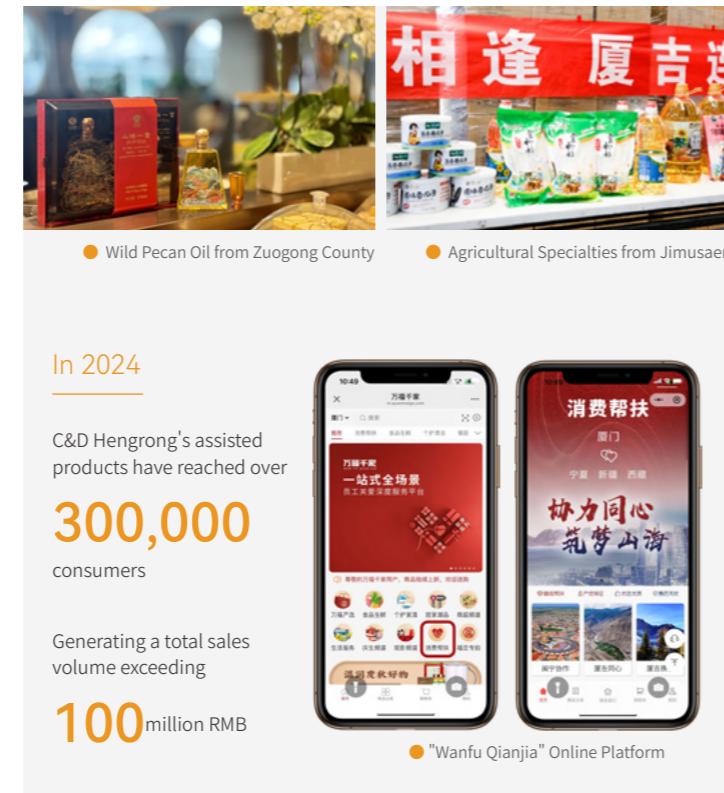
In 2024

Selected in the "2023 National Compilation of Typical Cases on Consumption-Driven Support for Rural Revitalization," published by the National Development and Reform Commission (NDRC)



Rural Revitalization Plan in Renhe Village

Leveraging its strengths in supply chain operations, C&D Hengrong has been deeply involved in the development of specialty agricultural and sideline products, such as wild plateau pecan oil from Zuogong County and products from Jimusaer. The company has established systems for product assembly, warehousing, and distribution; assigned a dedicated logistics team to review and track orders; and developed a service supervision mechanism. Comprehensive services have been provided across packaging design, brand development, logistics, and sales, enabling the local agricultural industry to scale and build recognizable brands. These efforts have increased the added value of rural specialty products and helped them reach broader markets. In addition, C&D Hengrong has launched the "Wanfu Qianjia" online platform and offline exhibition center, integrating agricultural specialty products from supported regions into Xiamen's labor union welfare system while expanding into market-based sales channels. By promoting the philosophy of "purchasing instead of donating, buying instead of giving," the company is helping shift industrial assistance from "dependency support" to "self-sustained regeneration." In 2024, through an omnichannel online and offline sales network, C&D Hengrong's assisted products have reached over 300,000 consumers, generating a total sales volume exceeding RMB 100 million.



Highlight | Supporting the Development of Local Industries Through Agricultural Specialty Product Assistance

Handmade noodles are a traditional industry in Yunyang Village, Lianhua Town, Tong'an District, Xiamen. At its peak, the village was home to more than a dozen small workshops engaged in noodle making, with hundreds of people working in the industry. After more than 200 years and nine generations of inheritance, Yunyang noodles have remained true to traditional handmade techniques. However, as the artisan noodle makers have grown older, Yunyang handmade noodles have faced the risk of "breaking the line," meaning a potential halt in transmission and production.

C&D Real Estate has actively contributed to supporting Yunyang Village's agricultural specialty industry. Through charity markets and targeted procurement activities, we have built diversified sales channels. These include employee benefit programs, corporate canteens, and customer engagement events. These efforts have effectively expanded market access for handmade noodles, promoted the sale of local specialty agricultural products, and contributed to rural revitalization. By leveraging our resource advantages, we have increased awareness of local agricultural products, expanded noodle sales volume, and helped raise farmers' incomes. This support has fueled the industrial revitalization and economic development of Yunyang Village. In 2024, with our assistance, Yunyang Village sold more than 6,000 units of handmade noodles and over 2,300 units of handmade noodle gift boxes.



Rooted in Communities, Committed to Cultural Heritage

We are committed to building mutually beneficial relationships with the communities in which we operate, promoting the integration of our business operations with community sustainable development. At each of our operating locations, we have established dedicated departments and comprehensive information feedback platforms. These platforms provide convenient channels for stakeholders to make inquiries, submit complaints, and share their opinions, ensuring that all suggestions and grievances are accurately recorded and addressed in a timely manner. As we expand our business, we consistently conduct community risk assessments. We incorporate key issues such as respecting and protecting the rights of local indigenous populations, preserving cultural traditions, and safeguarding cultural heritage and the ecological environment into our corporate strategy. Upholding a localized development philosophy, we prioritize hiring local talent and offer business opportunities to local enterprises. This includes access to raw material procurement, technical support, and subcontracting services. Through these efforts, we aim to reduce operational risks, mitigate potential negative impacts of our business activities on local communities, and promote the coordinated development of regional economies and community governance.

Highlight | Preservation of Historic Residences

Zhongzhai Historic Residences, located in Huli District of Xiamen, are a traditional architectural complex rich in Minnan cultural heritage. These buildings hold significant historical and cultural value. We have actively participated in the restoration and preservation of the Zhongzhai Historic Residences, with a commitment to carrying forward and promoting traditional culture.

During the restoration process, we strictly adhered to the principle of "restoring the old as it was." Comprehensive

surveys and measurements were conducted on each historic structure prior to any repair work. We remained committed to preserving the original condition, authenticity, integrity, reversibility, and recognizability of the buildings, in line with the principles of cultural heritage protection. Traditional techniques and materials were used to carefully restore and reinforce the original components. Emphasis was placed on protecting historical traces and preserving as much historical information as possible. Through these efforts, we aim to safeguard the cultural "roots" and "spirit" of Zhongzhai.



● Caring for Children, Lifting Their Dreams

Guided by a people-oriented development philosophy, we have built a long-term public welfare brand for youth under the theme "Love Has a Future." Through ongoing initiatives such as "Nourishing the Youth" and "Lifting Your Dreams," we have gradually developed a systematic and long-term strategy for educational sponsorship. These efforts reflect our commitment to narrowing the gap in educational resources between urban and rural areas and to supporting the healthy growth and development of children and adolescents across the country.

● Highlight | Collaborative Program with Ding'an Primary School

2024 marks the twelfth year of our long-term partnership with Ding'an Primary School in Xiamen. Guided by the core concept of "warm-hearted education," we have continuously carried out volunteer programs to support students at the school. At the beginning of the partnership, Ding'an Primary School, located on Zhongshan Road in Xiamen, had only 12 classes, with children of migrant workers accounting for 95% of the student population. Over the past twelve years, we have organized around 100 educational support events, benefiting more than 1,800 students. In total, the program has engaged 300 participants and accumulated 150 volunteer hours.

In 2024, we held 12 student support activities at Ding'an Primary School, involving approximately 75 participants. Key activities included:

- A New Year's themed cultural fair titled "Exploring the Diversity of Our Nation, Unifying the Dreams of People," which introduced students to China's long history and the vibrant cultures of various ethnic groups.
- A series of safety education sessions covering five major topics: fire safety, traffic safety, food safety, internet safety, and mental well-being. Through interactive presentations and activities, we helped students understand the importance of everyday safety and enhance their self-protection awareness and skills.
- Various themed class meetings and experiential activities, such as New Year and Dragon Boat Festival celebrations, tree planting, mental health education, traditional handicraft classes in bamboo weaving fan techniques, and gender bias awareness sessions. These engaging programs aimed to nurture students' curiosity, imagination, and dreams.



● Education Assistance Activities at Ding'an Primary School

In 2024

The program has engaged
300 participants



Accumulated
150 volunteer hours



Upholding the belief that "where there is love, there is a way," C&D Real Estate established the "C&D Real Estate Education Charity Fund" in 2007 to provide dedicated financial support to outstanding high school graduates from underprivileged families. Over the years, it has launched a number of signature initiatives, including "Lifting Your Dreams," "Warmhearted Assistance," and "Nourishing the Youth." These programs have supported a wide range of charitable causes, including student aid, poverty relief, and support for orphans. To date, the company has donated over 100 million RMB through the Charity Fund and supported more than 8,400 students in need. It has been recognized with several honors, including the "National Outstanding Contribution to Philanthropy Award," the "Charity Star of Fujian," and the title of "Philanthropic Contributor of Xiamen." In 2016, it was designated a "Permanent Honorary President Unit" by the Xiamen Charity Federation.



Has donated over
100 million RMB

Supported more than
8,400 students in need



"Permanent Honorary President Unit" by the Xiamen Charity Federation

● "Nourishing the Youth" Charity Program for Orphaned and Vulnerable Children

Orphaned and vulnerable children often endure hardships beyond the imagination of their peers. To support this special group, the "C&D Real Estate Education Charity Fund" launched the "Nourishing the Youth" program in 2012, with a focus on children under the age of 16. The program aims to help them grow up healthy and happy under the same blue sky. As of the end of 2024, the "Nourishing the Youth" program has provided support to more than 5,000 orphaned and vulnerable children.

In May 2024, the Charity Fund co-hosted the "Nourishing the Youth" paired assistance event with the Xiamen Charity Federation and the Xiang'an District Charity Federation. The event provided financial aid and care packages to students in need. Over the course of the year, the program supported a total of 100 students.

As of the end of 2024

The "Nourishing the Youth" program has provided support to more than
5,000 orphaned and vulnerable children

In 2024

Supported a total of
100 students



● "Nourishing the Youth" Charity Program for Orphaned and Vulnerable Children

• "Lifting Your Dreams" Charity Program

"Lifting Your Dreams" is a charitable education assistance program initiated by the Xiamen Charity Federation and implemented by the C&D Real Estate Education Charity Fund. The program aims to provide financial support for students, encouraging graduating high school students and those already in school to overcome financial hardship and complete their studies successfully. By extending care and promoting a spirit of giving back, the program strives to create long-term social value. As of the end of 2024, the "Lifting Your Dreams" program has supported more than 3,400 students from disadvantaged backgrounds.

In August 2024, the C&D Real Estate Education Charity Fund, in collaboration with the Xiamen Charity Federation, launched the "Where there is love, there is a way- lifting your dreams" education assistance campaign. The initiative provided approximately 500,000 RMB in financial aid to 42 graduating high school students and 50 college students, all from economically disadvantaged families.

As of the end of 2024

The "Lifting Your Dreams" program has supported more than **3,400** students from disadvantaged backgrounds

In 2024

The initiative provided approximately **500,000** RMB in financial aid to **42** graduating high school students and **50** college students, all from economically disadvantaged families



● "Where there is love, there is a way- lifting your dreams" Charity Education Program



● "Where there is love, there is a way- lifting your dreams" Charity Education Program

● Care to Share, Aware through Public Welfare

The "C&D Inc. Global Public Welfare Initiative" is a global volunteer public welfare project launched by the company in 2023. The project thoroughly follows General-Secretary Xi Jinping's instructions on promoting the spirit of Lei Feng and advancing the volunteer service movement, sparking a wave of public welfare enthusiasm around the world. Currently, the number of registered volunteers under this initiative has exceeded 3,000.

In 2024, under the annual volunteer service theme "Sparks Become Torches, and the Flame Lives On," we continued to advance the "C&D Inc. Global Public Welfare Initiative." Our efforts focused on four key areas: elderly and disability care, poverty alleviation, civic advocacy, and environmental protection. Throughout the year, we organized a wide range of community-focused volunteer programs, including Double Ninth Festival visits to seniors, birthday celebrations for the elderly, charity donations, traffic guidance campaigns, and environmental protection activities. In total, we held over 200 public welfare events in 2024, engaging more than 3,000 participants and contributing approximately 10,000 volunteer service hours.

In 2024

Held over

200 public welfare events

Engaging more than

3,000 participants

Contributing approximately

10,000 volunteer service hours



● Community Public Welfare Activities

Highlight | Community Elderly Care Outreach Program

During the Double Ninth Festival in 2024, we organized volunteer activities and hosted birthday celebrations for elderly residents in the community. These events provided care packages and heartfelt holiday greetings to seniors, bringing warmth and joy to their lives.



Community Elderly Care Outreach Program

Highlight | Volunteer Activities for Community Development

In 2024, our Party member volunteer service team conducted a series of themed activities in the Jinjiting Community. These included over ten events such as health education lectures, charity visits, and educational workshops. In total, approximately 500 participants took part in these activities.



Co-Building Activities in Jinjiting Community

Innovation-driven Development

With the growing maturity of advanced technologies such as big data, cloud computing, artificial intelligence, the Internet of Things, blockchain, and 5G, a new wave of technological revolution driven by digitalization, networking, and intelligence has become an unstoppable trend. It is accelerating the penetration from the consumer market to various segments of the supply chain, driving deep transformation in the supply chain industry. We have positioned technology empowerment as a core strategy, actively exploring and developing innovative digital technology applications. We aim to create a supply chain service system that is digital, multi-scenario, and uniquely tailored to our company's needs. We promote the widespread application of green technological innovation and advanced technologies by deeply integrating digital and intelligent solutions with the development of traditional industries. We are committed to building green factories and green supply chains, continuously driving the transformation and upgrading of traditional industries towards greener and more innovative practices, and accelerating the development of new production capabilities.

R&D and Innovation

Digital and Intelligent Integration of Supply Chain Resources

We are continuously developing supply chain collaboration platforms to connect industry chain partners, enhancing the quality of supply chain services and coordination efficiency. This drives the seamless connection of the entire supply chain process and the efficient integration and precise allocation of supply chain resources, offering customers more personalized and highly efficient supply chain operations services.

We have digitized our business processes and data to effectively integrate industry information, commodity indices, corporate credit data, and other relevant data into our supply chain service system, tailored to the characteristics and needs of different industries.



- We have launched platforms such as the "E-Inspection" remote inventory inspection and management platform and the "C&D Pricing APP" online futures spot pricing trading platform, promoting efficient, digital, and visualized business operations.



- The internal business data integration has been largely completed, with connectivity established to futures market, banking, industrial & commercial, and customs data systems, progressively advancing the digitalization and integration of supply chain transactions and customer/vendor data. By integrating data from internal operations, upstream and downstream partners, logistics, warehousing, finance, and credit, we are actively building an integrated big data ecosystem that fosters industry collaboration.

We have launched digital and intelligent service platforms in multiple industries, providing more efficient and comprehensive services to clients across various sectors.

• Pulp and Paper Industry



● The Business Ecosystem of "E-Pulp" and "PaperSource"

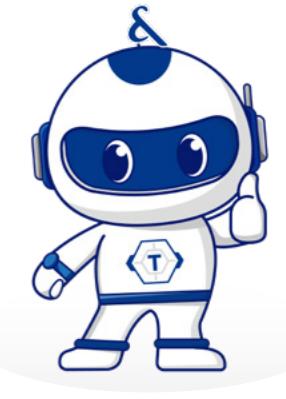
• Iron and Steel Industry



● C&D Esteellink Platform

Highlight | Digital Employee "Xiao T"

We have been actively exploring risk control, logistics digitalization, operations management, industry research, brand marketing, and AI-powered office solutions. By integrating advanced AI technologies such as OCR, NLP, RPA, and CV, we successfully developed the digital employee "Xiao T." "Xiao T" combines intelligent order entry, automated approvals, and RPA robotics, enabling automation and intelligent processing of repetitive and rule-based tasks. This breakthrough overcomes efficiency bottlenecks in traditional workflows, helping to reduce costs and enhance efficiency. Currently, "Xiao T" has been deployed in over 30 subsidiaries, processing more than 2.8 million documents in the past year alone, saving over 22,000 workdays and reducing labor and material costs by approximately 55.4 million RMB.



● 数字员工小T

• Digital Innovation Awards

In 2024, several of our digital products received multiple honors in the field of technological innovation.

Project Name	Awards Honored
"EasyInput" and "EasyReview" Intelligent Systems	The 7th "Digital Transformation and Innovation Awards 2024" presented by the Digital Industry Innovation Research Center "Excellent Digital Transformation and Innovation Cases 2024" recognized by the Digital Industry Innovation Research Center
"C&D Esteellink" Platform	3rd place on the "Top 100 Chinese Enterprises of Industry Digitalization 2024" ranked at the China Industrial Digitalization Conference 25th place on the "Top 100 Chinese Enterprises of Industry Digitalization 2024" ranked at the China Industrial Digitalization Conference
"PaperSource" and "E-Pulp" Industrial Internet Platforms	"Top 10 Digitalization Benchmark Cases of Central State-owned Enterprises 2024" recognized by the China Software Industry Association "Excellent Digital Transformation and Innovation Cases 2024" recognized by the Digital Industry Innovation Research Center
"E-Settlement" Platform	"Excellent Digital Transformation and Innovation Cases for Automotive Industry 2024" recognized by the Digital Industry Innovation Research Center
"E-Partner" Platform	"IDC China Digital Transformation Pioneer 2024" recognized by the IDC China
"EasyService" Platform	"Digital Innovation Application Scenario of Chinese Enterprises 2024" recognized by the China Software Industry Association's CIO (Chief Information Officer) Branch
"E-Insight" Smart Decision-Making Platform	"ADMIC Golden Excellence Award for Outstanding AI Platforms 2024" presented by iDigital China
"Pulp and Paper ERP" System	"Innovative Digital Solutions of Chinese Enterprises 2024" recognized by the China Software Industry Association

● Intellectual Property Rights Protection

We strictly comply with the "Patent Law of the People's Republic of China," the "Trademark Law of the People's Republic of China," and other relevant laws and regulations, continuously improving our intellectual property management system and strengthening IPR protection efforts. Our intellectual property covers trademarks, patents, copyrights, and trade secrets, which are managed and protected by the relevant departments. In 2024, we revised the "Trademark and Corporate Name Management Measures" to enhance trademark standardization, ensure the proper implementation of trademark strategies, and maximize brand value. Throughout the year, we obtained 100 newly authorized patents, 27 newly registered copyrights, and 39 newly registered trademarks, with no litigation cases arising from intellectual property disputes.

Additionally, we regularly conduct training and education programs to enhance employees' understanding of intellectual property protection. In 2024, we hosted a specialized training course, "Enterprise Intellectual Property Rights Protection: Trademarks and Copyrights," to strengthen the knowledge and practical skills of relevant personnel from management departments and business units in handling corporate names, trademarks, and copyrights, providing professional guidance for our IPR management efforts.

In 2024

Obtained	100	newly authorized patents
	27	newly registered copyrights
	39	newly registered trademarks



Suppliers and Clients

We are committed to innovation-driven and collaborative development. Guided by professionalism, we continue to deepen cooperation along the industrial chain and enhance the quality and efficiency of supply chain operations. Upholding the principle of "win-win cooperation," we continuously optimize supply chain management to improve sustainable operational capabilities. At the same time, we empower industry partners through technological innovation, supporting green transformation and high-quality development across the sector.

● Supply Chain Security

Supply chain security is integral to the full life cycle of high-quality corporate development. We actively implement national strategies for supply chain security by establishing a comprehensive risk management system. While ensuring regulatory compliance and stable supply, we embed ESG-related requirements into supplier onboarding, performance evaluation, and capacity building. These measures continuously enhance the supply chain's resilience and sustainability, laying a solid foundation for long-term, high-quality growth.

Supplier Management

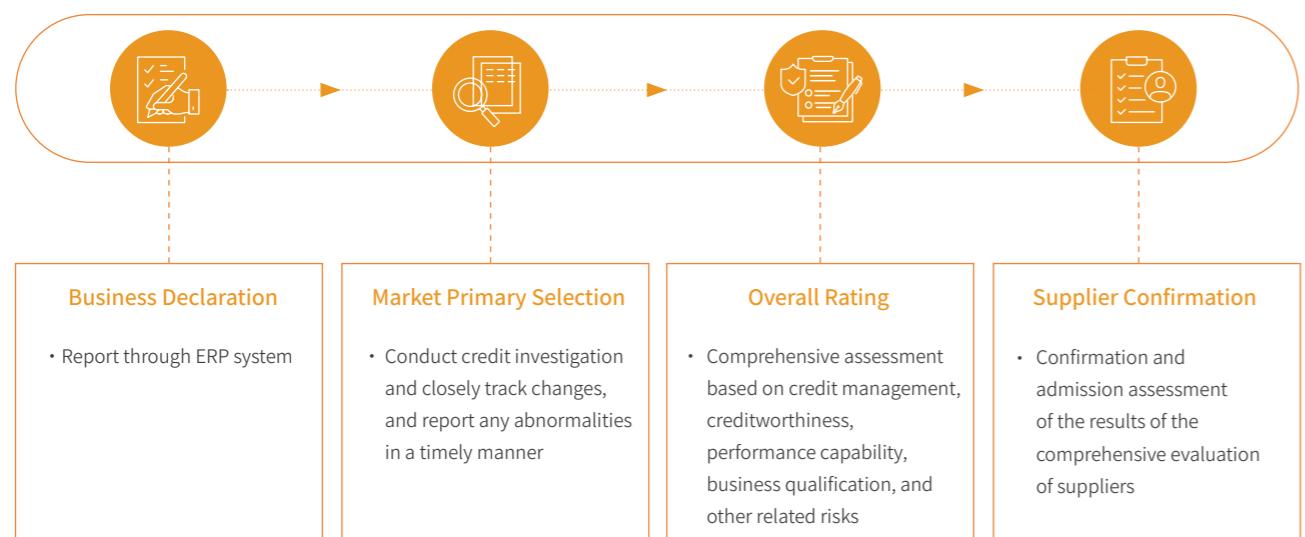
We regard responsible sourcing as a key approach to enhancing overall supply chain management. To this end, we continuously improve our supply chain management system and have formulated a "Supplier Code of Conduct," which sets out expectations for all suppliers and contractors of us and our subsidiaries. These expectations cover business ethics, human rights, environmental protection, and occupational health and safety. Our management is responsible for overseeing and guiding the implementation of responsible supply chain practices. All procurement contracts include clauses requiring partners to comply with laws and regulations related to business ethics, environmental protection, and internationally recognized human rights standards. These requirements extend to issues such as working hours, living conditions, minimum wages, and the prohibition of corporal punishment or disciplinary abuse of supplier employees. We attach great importance to integrity in supplier management and advocate for long-term, stable, and honest cooperative relationships. Prior to the commencement of business activities, all suppliers are required to sign the "Integrity Agreement" and the "Commitment to Integrity and Legal Compliance," pledging to comply with all applicable laws and regulations. Suppliers must not solicit or offer any property, kickbacks, commissions, or benefits of any kind to any entity or individual. Through these practices, we aim to ensure that all supply chain activities are conducted in an environmentally sustainable and ethically responsible manner.

Supplier Entry Evaluation

We implement a rigorous supplier onboarding and evaluation process to ensure that all suppliers comply with ESG-related requirements outlined in our responsible sourcing policy, including business ethics and environmental protection.

In supply chain operations ▼

We strictly enforce supply chain control procedures and conduct thorough due diligence during the supplier onboarding process. We identify and select high-quality suppliers, giving priority to those with strong performance in environmental qualifications, occupational health, business ethics, and green and low-carbon practices. A supplier's ESG performance, sustainability risk exposure, and business relevance are key factors considered during selection. We also evaluate the maturity of suppliers' environmental and quality management systems. This includes consideration of the supplier's brand reputation, quality standards, production capacity, green factory certifications, and energy efficiency credentials. For suppliers participating in environmentally supported projects, such as aluminum recycling, we apply additional scoring during the admission assessment.



Macalline ▼

Macalline is committed to working with domestic and international merchants that meet high supply standards. The company has established a strict merchant admission review mechanism that includes comprehensive evaluations across multiple dimensions such as brand image, service quality, pricing, product quality, business integrity, and blacklist history. All merchants intending to enter Macalline must submit true, valid, and complete qualification documents (such as successful project cases and financial statements) and must have no record of legal violations, dishonesty, inclusion on any blacklist, or significant issues relating to product quality or business integrity. Merchants are required to comply with all national laws, regulations, and relevant policies, meet industry standards, and commit to ensuring their business activities comply with trade regulations under applicable United Nations conventions.

Additionally, Macalline has established a professional inspection and pricing review function unique to the home furnishing industry. This function conducts rigorous checks on factory qualifications, merchant credentials, and product standards to ensure consistent and effective implementation of relevant requirements. For suppliers interested in participating in bidding, Macalline organizes site visits by dedicated evaluation teams. These visits include in-person assessments of factory facilities, equipment, production capacity, personnel, and office spaces. The frequency of communication is adjusted based on project needs to ensure that supplier capabilities align with project requirements. For suppliers under annual framework agreements, group-level and regional-level negotiated suppliers, top-ranked suppliers, and those with potential risks, third-party institutions or internal departments conduct regular or ad hoc evaluations. These evaluations cover on-site assessments and comprehensive service quality reviews to ensure compliance with standards for product quality, service, delivery timeliness, and after-sales support. Supplier entry evaluation focuses on business compatibility, company scale, industry ranking, and potential risk. Suppliers that do not meet the criteria are disqualified.

In 2024

Macalline clarified the responsibilities of the Project Tender Management Committee and the Bid Evaluation Team, and optimized the online contract approval workflow to enhance management efficiency. All new suppliers are required to sign the latest version of the "Supplier Integrity Commitment Letter." Existing suppliers must update this document based on their ongoing business engagements. Suppliers found in violation of the commitment, failing quality or service assessments without effective rectification, engaging in behavior that harms our interests, or committing illegal acts will have their cooperation terminated and will be placed on a blacklist.

Supplier Assessment and Evaluation

We conduct regular and ad hoc online and on-site audits and evaluations to continuously monitor supplier performance and ensure their compliance with our "Supplier Code of Conduct." These efforts help safeguard supply chain compliance and promote sustainable development. We have established a tiered and categorized supplier management system and implement dynamic reviews based on the characteristics of each business sector. We and our subsidiaries have developed corresponding qualification review and evaluation standards tailored to their specific industries. These standards are used to select suppliers with strong potential for sustainable collaboration and to enhance responsible and refined supplier management. A regular communication mechanism has been established to facilitate ongoing engagement with suppliers. This includes periodic evaluation meetings and on-site inspections to assess supplier performance.

In real estate business ▼

We adhere strictly to all applicable national, provincial, municipal, and industry-specific regulations and standards. We implement the "Supplier Code of Conduct" and have established internal systems including the "Implementation Measures for Tender Management." These policies guide our efforts to promote supplier responsibility in areas such as safety, environmental management, and employee welfare. We ensure that all procurement activities are conducted fairly and transparently, and that selected suppliers possess the necessary qualifications and capacity to provide stable and high-quality services.

In supply chain operations ▼

We conduct annual supplier evaluations based on quality, qualifications, pricing, cooperation performance, and internal control risk ratings. These assessments determine whether to renew, rectify, or phase out supplier relationships. We also utilize the "E-Zhangxin" digital platform to implement real-time supplier monitoring. The platform tracks and pushes external negative information on suppliers daily, with a focus on identifying operational and legal risks. These may include dishonesty records, consumption restrictions, lawsuits, and environmental penalties, among others. For suppliers identified as high-risk or abnormal, we conduct further investigations. Based on our control requirements, we assess the supplier's actual situation, promptly provide verification feedback, and issue warnings or terminate cooperation as appropriate.

In real estate business

We have established internal systems such as the "Cost Management Standards," which define the processes and requirements for supplier evaluation, tiered management, and disqualification. A standardized, full-lifecycle supplier management process has been implemented across the board. During the contract fulfillment phase, we conduct tiered evaluations of suppliers and dynamically adjust management strategies based on performance scores. We also conduct comprehensive assessments across multiple dimensions, including operational status, workforce quality, construction practices, product quality, service quality, professional capabilities, and overall collaboration. If a supplier is found to be involved in commercial bribery, major quality issues, occupational health and safety violations, or withholding of migrant workers' wages, it will be classified as non-compliant in performance. Such suppliers will not be considered for contract renewals or new engagements, and will be barred from participating in any procurement or bidding activities for a period of two years from the date of public listing.



Key supplier management measures in the real estate business include:

Blacklist Mechanism

- In accordance with the "Engineering Tender Implementation Measures," suppliers involved in breach of contract, repeated safety incidents, poor internal audit results, or violations of business ethics will be suspended from qualification lists. Suppliers are evaluated monthly, with feedback provided based on engineering performance (quality, safety, site management, progress), warranty services (response times, rectification rate, satisfaction), cooperation (on-site coordination, cost support, design support), and other special matters. Suppliers found to engage in bid collusion, false documentation, or fraud will be subject to legal liability. Responsible internal personnel will also be held accountable. Suppliers responsible for major quality accidents or group complaints will be blacklisted.

Engineering Quality and Safety Assurance

- Contracts specify detailed requirements related to quality, timelines, materials, safety, and management. Suppliers must deliver products that meet national technical and environmental standards and must provide certificates of conformity, test reports, and factory credentials for approval before goods are admitted on-site. Before construction begins, suppliers are required to provide insurance coverage for life and property safety for all personnel (including third parties) within the construction site. We also require Contractors' All Risks Insurance to enhance overall project protection. For worker safety, in addition to routine inspections by project teams, third-party audits are conducted on active construction sites. These inspections follow a model of "surprise checks plus expert-assisted inspections" by a pool of Company-appointed specialists. Inspection standards are in line with or stricter than national benchmarks, with weekly and monthly inspection routines, rigorous material spot-checks, and immediate corrective actions. Results are ranked and publicly reported.

Wage Payment Monitoring Mechanism

- At the project level, we have established coordination and monitoring mechanisms to safeguard migrant worker wage payments. General contractors are urged to strengthen labor management and resolve wage-related disputes effectively. Special accounts are created for wage payments, with project funds allocated according to contractual terms. Labor payments are to be transferred promptly and in full to the designated wage accounts. Oversight is in place to ensure contractors pay workers on time and in full. These measures help protect workers' rights and prevent wage arrears by suppliers.

Supplier Training and Engagement

We attach great importance to supplier capacity building and continuously organize training and engagement activities to enhance our partners' awareness of sustainability and their management capabilities. Through multiple channels such as the E-commerce system, supply chain management software, and regular meetings, we support suppliers in strengthening compliance, optimizing operational models, and improving ESG practices. These efforts ensure that suppliers align with our advocated standards as outlined in the "Code of Business Conduct" throughout the cooperation process.

Supply Chain Risk Management

In the face of frequent supply chain disruptions and unexpected events, building an effective risk management system has become a key priority for maintaining operational stability and competitive advantage. We have established and continuously refined our supply chain risk management framework. By regularly identifying and assessing supply chain risks and developing effective response strategies, we aim to ensure the stability and sustainability of our supply chain.

We have formulated the "Regulations on the Composition, Responsibilities, and Authorization Compliance of the Risk Management Committee," which entrusts our Board of Directors' Risk Management Committee with the responsibility to guide and oversee supply chain risk management. The Chair of the Risk Management Committee convenes and presides over regular quarterly meetings and ad hoc sessions, and is responsible for the approval of bulk commodity and high-value supply chain transactions. In 2024, we established a centralized Risk Control Center at our headquarters. This center brings together core risk management functions, including operations management, logistics, credit control, legal affairs, futures, and audit. By strengthening internal collaboration among these functions, we have built a unified approach to risk prevention and control, enabling us to better support the healthy development of our subsidiaries' businesses. We have also set up specialized group-level management centers and accelerated the delegation of approval authority. By pushing risk control measures closer to the front lines and combining authorization with oversight, we have improved management efficiency and enhanced our ability to respond to supply chain risks in a timely and effective manner.

In 2024, we continued to enhance our supply chain risk management practices through the following key initiatives:

Formulated and released the "Regulations on Contract Seal Management"

- We conducted a comprehensive review of contract seal management in the supply chain segment. For seals that were previously held by non-operational personnel, we reassessed authorization procedures to ensure that seal storage and usage are standardized and strictly controlled.

Improved compliance with international sanctions

- We developed internal trade compliance policies and launched an ERP-based international sanctions compliance control system to enable comprehensive monitoring and ensure that our international trade activities remain fully compliant.

Strengthened compliance in relation to state-owned assets

- By leveraging technology, we enabled intelligent detection of potentially non-compliant business transactions.

Enhanced controls over new customers and new products

- We require that all new customers and new products have a clear business rationale, transparent product circulation paths, and fair pricing mechanisms. For transactions involving clients with weak credentials, unclear business origins, unfamiliar products, limited fulfillment capabilities, or high financial exposure, we conduct in-depth background investigations. We apply stricter approval procedures for transactions where both upstream and downstream parties are traders. Each of these cases is subject to review and sign-off by the Risk Control Director to ensure robust risk management at the entry stage.

Reinforced customer risk evaluation

- Our Credit Management Department and other authorized departments assess risk information collected through the "E-Zhangxin" platform and other online sources. For clients identified with significant risks, we issue a "Major Risk Alert Notice." Subsidiaries are required to assign dedicated personnel to implement the recommendations and instructions from these notices in a timely manner and report on follow-up actions.

Strengthened joint monitoring and supervision

- For projects with early signs of risk, we issue alerts to members of the Risk Management Committee and ensure strict oversight of mitigation actions. For high-value or long-cycle projects, we work closely with the headquarters Risk Control Center to provide dedicated, hands-on follow-up. This approach breaks down information silos and forms a strong control alliance to support project execution and risk mitigation.

Enhanced market tracking

- We regularly review industry and market research reports to monitor supply-demand dynamics and track commodity price fluctuations. Commodities experiencing significant price volatility or sustained downward trends are placed under focused monitoring. For selected product categories, we conduct business reviews and encourage subsidiaries to actively clear overdue inventories within a short timeframe to improve turnover rates and mitigate risks.

Promoted big data auditing

- We rolled out big data-based audit methods to overcome the limitations of traditional sampling techniques. This allows for full-scope, real-time audits and helps recover long-outstanding receivables, unlock idle funds, and effectively achieve our cost-reduction and efficiency-improvement goals.

Enhanced professional training

- We organized various supply chain risk management training and awareness initiatives. These included online risk prevention quizzes, specialized business risk training, methodology workshops, risk control center salons, and external learning exchanges. Through these efforts, we have significantly improved our employees' awareness and capabilities in supply chain risk prevention.

● Equal Treatment to Small and Medium-Sized Enterprises

We strictly comply with relevant laws and regulations, including the "Law of the People's Republic of China Against Unfair Competition," the "Regulations on Ensuring Payments to Small and Medium-Sized Enterprises," and the "Interim Regulations on Enterprise Information Disclosure." We actively fulfill our social responsibilities and strive to protect the legitimate rights and interests of small and medium-sized enterprises (SMEs).

● Safety and Quality of Products and Services

Safety and quality of products and services are fundamental to sustainable business development. We attach equal importance to quality management and customer rights protection. By continuously improving our control systems, we ensure that our products and services meet industry standards. At the same time, we optimize our customer service mechanisms to ensure that every interaction reflects our commitment to quality and builds lasting trust in our brand.

Product Quality Management

We have always regarded product quality management as central to our business development and are committed to building a comprehensive quality management system to deliver responsible products and services. Through the establishment of stringent quality control procedures, we ensure that our products and services meet the highest industry standards and fulfill customer expectations for excellence. By leveraging product quality as a key driver, we aim to create added value and cultivate new competitive advantages in the market.

In supply chain operations

We adhere to the principles of professionalism, efficiency, quality, and integrity, with quality management at the core of our practices. Our import and export trade services have obtained ISO 9001 Quality Management System certification, ensuring that every step from procurement to delivery meets high-quality standards.

In real estate business

We strictly comply with relevant laws and regulations, including the "Construction Law of the People's Republic of China," the "Regulations on the Quality Management of Construction Projects," and the "Provisions on the Supervision and Administration of Housing and Municipal Infrastructure Projects." We have also established and implemented a series of internal management systems such as the "Project Operation System," "Design and Technical Specifications," "Specialized Technical Standards," "Engineering Technical Standards," "Quality and Safety Standards," "Property Handover Standards," and the "Inspection and Evaluation Standards for Project Operations." These systems provide standardized guidance for critical tasks across all phases, including design, construction, and pre- and post-delivery processes, while also clarifying roles and responsibilities at all levels and defining quality control requirements for key procedures and milestones. We have built a quality evaluation system composed of two main components: process evaluation and delivery evaluation. Third-party assessment agencies conduct systematic inspections of various stages in our ongoing and for-sale projects, forming a comprehensive framework for quality supervision, evaluation, and performance review throughout the entire project lifecycle. This ensures that we consistently deliver high-quality products that meet and exceed customer expectations. In addition, we are embracing digital transformation by implementing four major digital systems of the "Engineering Collaboration System," "Smart Engineering System," "Intelligent Inspection System," and "After-Sales Service System" to enable refined, data-driven quality management across the entire project lifecycle.

Consumer Protection

Providing high-quality customer service is not only a key expression of our corporate social responsibility, but also a vital link in building long-term trust. Guided by the principle of co-creating value, we have developed a transparent and efficient customer service system, dedicated to delivering timely and comprehensive services to our clients. We actively respond to customer needs and feedback, continuously improving service processes and product quality. By embedding consumer rights protection into every stage of our operations, we contribute to the long-term synergy between business growth and social development.



ISO 9001 Quality Management System Certification

Customer Satisfaction Management

We place great importance on customer satisfaction and actively conduct regular visits to key clients as well as ongoing customer satisfaction surveys. We are gradually advancing the classification and tiered management of customers across our subsidiaries and tailoring services accordingly. By proactively collecting service cases, optimizing service procedures, and refining the customer service chain, we ensure that customer needs are addressed promptly and effectively.

In supply chain operations ▼

We continuously carry out upstream and downstream customer satisfaction surveys, focusing on gathering authentic feedback regarding service needs, process experiences, and management mechanisms. The survey content covers trends in customer service demands, satisfaction with business process efficiency, and expectations for the professionalization and systemization of supply chain services. The scope of our surveys spans major business segments, including domestic trade, import and export, and re-export trade. We employ a mixed methodology of qualitative interviews and quantitative questionnaires, engaging multiple strategic partners. The questionnaires are directed toward key personnel in supply chain-related departments such as procurement, sales, finance, logistics, and documentation. Based on the results of these surveys, we continue to strengthen our internal management and service capabilities across four core areas of customer service management: service monitoring, demand management, standard management, and service assurance, with the goal of continuously improving customer satisfaction.

In 2024, our customer satisfaction management initiatives included the following

- Our Steel Group's logistics division conducted a satisfaction survey on the "self-managed warehouse" service, focusing on cargo ownership risk control, operational efficiency, service attitude, and pricing standards. A total of 136 valid questionnaires were collected and analyzed to provide data support for future service improvements.
- Our Pulp and Paper Group collected 514 valid questionnaires through the "E-Pulp" and "PaperSource" platforms. Based on customer feedback, we continuously optimized the online transaction process, enhanced the help center functions, and improved customer service response times to achieve a better match between customer needs and service delivery.
- Our Automotive Group launched a new Customer Operations Center structure in January 2024, adding roles such as Customer Manager and Customer Experience Specialist. Using digital dashboards, exception handling mechanisms, and a satisfaction tracking system, we achieved real-time monitoring and rapid response. In 2024, we distributed targeted customer satisfaction surveys through our tracking system and collected a total of 7,480 valid responses by year-end, with a response rate of approximately 52%.
- Our Consumer Products Group's liquor company conducted a survey as part of the "Social Media Empowerment: A New Banquet with Friends" campaign. In response to feedback from distributors regarding challenges in content creation and video production, we provided AI-based creative training and access to a media asset library to enhance brand communication effectiveness.

In 2024

Pulp and Paper Group collected

514 valid questionnaires

through the "E-Pulp" and "PaperSource" platforms

Automotive Group collected a total of

7,480 valid responses

with a response rate of approximately

52%



In real estate business ▼

We place customer needs at the core of our service philosophy and decision-making process. We have built a comprehensive, customer-centered service system and actively listen to customer feedback through satisfaction surveys to ensure their rights and interests are fully protected.

In 2024, our customer satisfaction management efforts included the following initiatives

- We formulated the "Customer Relationship Management Policy" and the "Customer Satisfaction Evaluation Scoring Weight Table," which clearly define work standards for customer surveys, risk identification, complaint handling, property delivery, and ongoing relationship management.
- We released the "Guidelines for Enhancing Sales Center Management," which require sales centers to approach all services from the customer's perspective, improve service quality and client experience, and establish specific requirements for environmental and client-facing services.
- We operated the "Building Good House" mini program as our official one-stop online home-buying platform and the "C&D Diamond Club" mini program as a unified member service platform. These tools connect the full customer journey from lead generation to site visit, transaction, and after-sales service.
- We enhanced the home-viewing experience through the use of digital tools such as electronic sand tables, virtual reality tours, promotional videos, and digital brochures.
- We incorporated customer satisfaction scores into the performance evaluation of relevant departments.
- We provided training for sales personnel, with a requirement that only certified individuals who pass assessments are allowed to interact with customers. We also refined third-party sales risk screening and mystery shopper inspection standards, and conducted random inspections and risk assessments of projects within our management scope. Rectification actions were promptly followed up to continuously improve customer experience and satisfaction.

Customer Complaint Management

We have established a comprehensive customer complaint management system to ensure that all customer concerns receive timely and effective responses. This system is supported by diversified complaint channels and standardized handling procedures. To improve efficiency and satisfaction in complaint resolution, we have also implemented a regular training mechanism for complaint handling. These training sessions aim to strengthen the skills of relevant personnel in identifying issues, communicating effectively, and providing timely solutions.

In our real estate business, we have built a systematic customer complaint handling process. Customers can file complaints through both online and offline channels, including our national service hotline, the "Diamond Club APP," and WeChat-based channels such as the customer relations hotline, "Customer Ambassador" account, and "Property Consultant" account. Once a complaint is received, we contact the customer within 2 hours and provide a resolution plan (within 24 hours for major complaints). All complaints are resolved within 3 days, and a satisfaction follow-up call is made within 48 hours after resolution. Every month, we analyze the volume of complaints by category, identify trends in recurring issues, and track resolution outcomes. A detailed report is generated and shared with relevant departments, who are required to implement improvements. This process ensures that every piece of customer feedback is handled promptly and effectively.

● Data Security and Customer Privacy Protection

We place great importance on information security and strictly comply with relevant laws and regulations, including the "Cybersecurity Law of the People's Republic of China," the "Data Security Law of the People's Republic of China," and the "Personal Information Protection Law of the People's Republic of China." By continuously enhancing our information security management system and implementing a range of control measures, we strengthen our internal information security management and elevate our overall capability to safeguard corporate data and protect customer privacy.

Information Security Management

We have established internal policies such as the "Information Security Policy," the "Cybersecurity Management System," and the "Information Technology Management Guidelines" to guide and regulate our information security practices. These policies cover all major areas including system security, content security, endpoint protection, routine network maintenance, emergency response to security incidents, and company-wide security awareness training. To safeguard the security and controllability of our data, code, and server operations, we have implemented a range of technical safeguards. These include the deployment of ACL firewalls and web application firewalls at the network layer, secure operation and maintenance auditing systems, and the adoption of cloud-based development environments. These measures help us mitigate risks of malicious cyberattacks and data breaches.

In 2024, we revised the content of our "Cybersecurity Management System" to better reflect practical needs in information security management. The revised policy further clarifies responsibilities for IT personnel, requirements for cybersecurity training, protocols for personal information collection and use, as well as standards for data deletion and media disposal. We also completed a series of technical upgrades to enhance our cybersecurity capabilities. These include the implementation of a data backup and ransomware prevention system, upgrading the VPN perimeter firewall, expanding our network situational awareness system, increasing capacity for secure cloud desktop environments, deploying endpoint access control and antivirus software, upgrading server security defenses, and scaling our privileged access management systems. As a result of these efforts, we have significantly strengthened the resilience of our information systems. Several of our systems have already achieved Level II and Level III certifications under the national graded protection system.

● Information Security Management Structure

Our Cybersecurity Leadership Group is responsible for coordinating, guiding, and supervising our information security management efforts. The group is chaired by our Deputy General Manager, with the General Manager of the Digitalization Center serving as Deputy Chair. The group is tasked with formulating the basic information security management policies, improving the security protection system, making key decisions on information security matters, ensuring network security protection and early warning monitoring, and organizing security audits and the follow-up of corrective actions. At the subsidiary level, the designated heads of IT or IT specialists serve as cybersecurity liaisons. They are responsible for implementing information security policies and measures, identifying and reporting potential cybersecurity risks, executing corrective actions, and raising employee awareness and capabilities in cybersecurity. Each year, we set annual information security targets and objectives. We assess the performance of relevant departments and personnel through self-evaluations and reviews conducted by higher-level units. Subsidiaries also establish their own security goals based on business needs and incorporate these targets into the annual performance evaluations of responsible personnel. To further reinforce our management system, we have established clear and accessible channels for employees to report or escalate any information security issues. We actively encourage staff to raise concerns directly with their supervisors or the appropriate departments, ensuring early detection and resolution of security risks.

● Information Security Emergency Management

We have formulated the "Cybersecurity Incident Emergency Response Policy" to establish a scientific, effective, and rapid-response emergency mechanism. This policy clearly defines the procedures for responding to information security incidents. In the event of an incident that may cause significant or serious harm to the Company, it must be immediately reported to the Cybersecurity Leadership Group. Prompt and effective technical measures are then taken to handle the situation. After the incident is resolved, we conduct a comprehensive analysis and prepare a report detailing the cause, resolution process, and corrective measures, ensuring that necessary improvements are implemented. We regularly organize emergency drills to enhance our incident response capabilities. For information systems classified under Level II or Level III of the graded protection system, we conduct at least one data recovery verification and emergency response drill each year to ensure our ongoing preparedness.

In 2024, our information security emergency management initiatives included the following

- We engaged third-party cybersecurity experts to conduct penetration testing and red-blue team exercises. By simulating real-world attack and defense scenarios, we carried out in-depth security testing of our information systems, identified vulnerabilities within our cybersecurity framework, and promptly addressed and remediated the discovered risks. These efforts helped us optimize our network defense systems and improve our ability to respond to cybersecurity emergencies.
- Our subsidiary, C&D Real Estate, conducted data backup recovery drills every six months to ensure the integrity and effectiveness of backup data. In addition, unscheduled cybersecurity drills were organized to identify issues in real time, improve emergency response plans, and continuously enhance our emergency management capabilities.

● Information Security Risk Assessment and Supervision

We continuously strengthen the management of information security risks and potential vulnerabilities by conducting inspections, assessments, and analyses. Risks are classified according to their scope and severity so that corresponding prevention measures can be developed and implemented. We enhance our supervisory mechanisms through regular cybersecurity inspections and IT audits conducted by third-party agencies. These efforts effectively reduce our exposure to information security risks and ensure the ongoing security and stability of our systems.

In 2024, our information security risk assessment activities included the following

Information Security Risk Assessment

- We conducted comprehensive penetration testing on 15 key business systems. In addition, we performed monthly vulnerability scans, focusing on system vulnerabilities, web application flaws, and weak password issues.

Information Security Inspections

- We identified nearly 40 security vulnerabilities and submitted 555 security-related work orders. Of these, 416 have been successfully rectified.

Third-Party IT Audit

- We commissioned independent audits covering our core business systems. All identified risks have been addressed and mitigated, significantly improving the security and stability of our information systems.

Information Security Education and Training

We promote information security awareness across the organization through diversified communication channels and training formats. Our goal is to help all employees better understand cybersecurity principles and ensure full compliance with our internal security policies.

In 2024, our information security training initiatives included the following

- We used platforms such as "WeCom" and "E-Jianxue" to share cybersecurity news, phishing scam prevention tips, and real-life fraud case studies. These efforts helped raise employees' awareness of cybersecurity threats and preventive measures.
- We organized specialized technical training sessions for project development leaders, covering topics such as the evolution of security architecture, analysis of insecure coding practices, common vulnerability exploitation techniques, and the use of security testing tools.
- At C&D Real Estate, we provided comprehensive information confidentiality and data security training to all new employees to ensure a solid foundation in security awareness from the outset.

Customer Privacy Protection

We strictly adhere to the "Cybersecurity Law of the People's Republic of China," the "Measures for the Administration of Security Protection of Computer Information Networks," the "Personal Information Protection Law of the People's Republic of China," and other relevant laws and policies. Based on these, we have developed our "Privacy Statement" and "Code of Business Conduct," which clearly define the scope of customer information use, retention periods, and the rights customers have regarding their personal information throughout the business process. We collect, use, and retain only the personal information of employees, customers, and other stakeholders that is necessary for legitimate business purposes. We disclose such information to third-party partners only when legally required, with the clear consent of the stakeholder, or when necessary to provide services to the stakeholder. Throughout the information collection and usage process, customers have the right to explicitly consent or refuse, and may request to access, correct, delete, or transfer their personal data. We also commit to retaining customer information only for a reasonable period in accordance with applicable laws and business needs, and we implement a series of strict measures to ensure the security and confidentiality of all customer data.

In supply chain operations

We protect the information of employees, customers, and suppliers through measures such as information asset management and information security inspections, preventing unauthorized access, data leakage, loss, or damage. All new employees receive mandatory training on confidentiality and are required to sign a confidentiality agreement, reinforcing their awareness of responsibilities related to customer privacy protection.

In real estate business

We collect and consolidate customer information through internal digital systems to reduce reliance on paper documents and avoid data leakage due to poor physical file management. Access to customer data is strictly restricted. We have established clear rules prohibiting anyone from accessing, retrieving, or transferring customer information across business units without prior authorization. Relevant personnel must promptly destroy or delete customer confidential information after use, thereby reducing the risk of privacy breaches.

Responsible Marketing

We strictly adhere to the relevant marketing laws and regulations of the country and region, such as the "Regulations on the Management of Retail Promotion Activities," the "Anti-Unfair Competition Law of the People's Republic of China," and the "Advertising Law of the People's Republic of China." We uphold the principles of integrity, fairness, and transparency, ensuring that marketing activities not only promote brand development but also protect consumer rights and the public interest, aiming to create a healthy and orderly market environment.

In supply chain operations

We always uphold a responsible marketing philosophy, focusing on content compliance and value orientation, while continuously improving the professionalism and standardization of content communication.

In 2024, we organized a professional training on "The Application of AIGC Technology in Content and Value Creation," inviting industry experts and internal trainers to explain the application norms and practical experiences of AIGC technology to more than 100 brand and related personnel. This training strengthened the brand team's understanding of content production and legally compliant communication under emerging technologies, ensuring that content creation meets the responsible marketing requirements. Additionally, we organized an employee visit to Tencent's ESG office to exchange ideas on the integration of corporate social responsibility and brand communication, further expanding the vision and practical pathways of responsible marketing.

In real estate business

We have developed and implemented internal systems and inspection standards such as the "Real Estate Development and Sales Management System," "Brand Management System," "Marketing Customer Relationship Brand Tendering Guidelines," and "Marketing Inspection and Evaluation Standards." These define the basic principles, minimum requirements, and responsibilities for compliant marketing and honest sales, while also taking multiple measures to practice responsible marketing. At the same time, we maintain an accessible whistleblower hotline to accept public reports on illegal or non-compliant behavior in the marketing process and handle these reports in a timely and fair manner in accordance with our internal systems.

We have established strict management measures for marketing activities

Improved systems and management processes

- We have formulated and implemented the "Marketing Inspection and Evaluation Standards" and established a "Three Rounds of Review and Proofreading" process to rigorously control the accuracy, authenticity, and compliance of promotional and marketing content. We enhance content review through the "Approval System for Brand Implementation and Promotion" and conduct annual audits of subsidiary companies' new media accounts.

Regulating sales behavior

- Sales personnel are prohibited from exaggerating or making arbitrary promises. Property consultants must fill out the "Behavior Risk Checklist for Property Consultant" at the end of each month, which is reviewed and confirmed by the project marketing manager.

Strengthening on-site marketing risk control

- We regularly conduct inspections at the headquarters, clusters, and business units, focusing on key areas such as sales contracts, sales materials, and sales displays, and carry out spot checks as needed. We also conduct special risk investigations on sales language, service standards, and consistency of delivery promises.

Providing customer risk alerts

- We set up risk alert signs at sales offices, exhibition areas, model rooms, and other locations. Each project publicly displays potential adverse factors in prominent areas and clearly reminds customers in negotiation areas that verbal promises made by sales personnel are not legally binding. The official agreement is always subject to the written contract.

Implementing process supervision and evaluation feedback

- We conduct quarterly marketing compliance checks and include the results in the performance evaluation of marketing managers. Special audits are carried out regularly. Additionally, we commission third-party companies to conduct undercover visits to ongoing projects each month to check on reception etiquette, consistency of statements, and material compliance, and provide feedback for corrective actions.

Supporting Industry Development

We adhere to the principles of openness, collaboration, and sustainable development. We actively participate in the drafting and formulation of national and industry standards, strengthen cooperation within the industry chain, share our corporate industry experience and achievements, promote technological innovation and knowledge exchange, and contribute to the high-quality development of the industry.

Main Industry Associations Involved

No.	Association Name	Position
1	China Federation of Logistics & Purchasing	Vice President
2	Xiamen Modern Supply Chain Association	President
3	China Chamber of Commerce for Import and Export of Textiles	Executive Director
4	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters	Director
5	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Director
6	China Chamber of Commerce for Import and Export of Light Industrial Products and Arts-Crafts	Director
7	Statistical Society for Foreign Economic Relations and Trade of China	Director
8	Xiamen Import & Export Chamber of Commerce	Vice President
9	Chamber of International Commerce Xiamen	Vice President
10	Special Supervision Area Association of Xiamen Customs District	Permanent Vice President
11	China Chamber of Commerce of I/E of Foodstuffs, Native Produce and Animal By-products (CFNA)	Member

Highlight

In November 2024, the second China International Supply Chain Expo, hosted by the China Council for the Promotion of International Trade, was held in Beijing. We showcased our latest developments in specialized, international, new energy, and new consumption sectors at the "Supply Chain Services Exhibition Area." Our subsidiary, C&D Merchandise, partnered with strategic ally Fonterra to present at the "Green Agriculture Chain Exhibition Area." Through this collaboration, we actively demonstrate our commitment to sustainable development and engage in in-depth discussions with industry peers, exploring new cooperation opportunities to jointly build a greener future.

Highlight

In September 2024, the "2024 National Supply Chain Innovation Exhibition" was held in Xiamen, organized by the China Federation of Logistics & Purchasing. The company showcased its services and value across various stages of the industrial supply chain under the theme of "New Quality Productive Forces." Using AI large models, industry sandboxes, digital cloud spaces, and digital employees like "Yiling" for guided tours, the company engaged with attendees to discuss new trends in global supply chain development and explore collaborative innovations in supply chain and industrial chain cooperation.

Highlight

In November 2024, the "2024 Xiamen International Coffee Fair" was held in Xiamen. During the event, our subsidiaries, C&D Light Industry and C&D Merchandise, showcased cutting-edge coffee production processes, high-quality raw materials, and advanced equipment. This comprehensive presentation highlighted our latest achievements in product research and development, technological upgrades, and service innovations. Additionally, we collaborated with upstream and downstream partners in the coffee industry, as well as leading beverage companies, to establish an industry collaboration platform. Through technical exchanges and resource integration, we aim to promote collaborative upgrades across the entire industry chain.

Highlight

In September 2024, the "2024 Go-Global Summit," hosted by C&D Group and organized by C&D Inc, Bajiuiling Cultural Creativity, and C&D Exhibition, was held in Xiamen. The forum attracted over a thousand participants, including experts, scholars, business representatives, chamber associations, and media representatives. Focusing on the theme of "Supply Chain + Going Global," the forum aimed to enhance the security and stability of the supply chain, promote the positive voice of "Chinese investment," and inject new momentum into accelerating Chinese companies' embrace of globalization.



Employees

We have always regarded employees as the core of the company's sustainable development, adhering to a people-oriented management philosophy. We continuously optimize the employee development system, focusing on the growth and well-being of our staff. We are committed to providing equal employment opportunities and ample development space for employees, promoting the organic integration of personal value and corporate goals, thus laying a solid foundation for the company's sustainable development.

Human Rights Protection

We respect the "International Bill of Human Rights" and follow internationally recognized human rights standards and guidelines, including the "UN Guiding Principles on Business and Human Rights," the "Universal Declaration of Human Rights," the "UN Convention on the Rights of the Child," the "ILO Declaration on Fundamental Principles and Rights at Work," and the "UNICEF Children's Rights and Business Principles." We strictly comply with relevant national laws and regulations to protect and support the rights of our employees. To promote the implementation of human rights protection, we have developed policies such as the "Human Rights Policy" and the "Anti-Discrimination and Anti-Harassment Policy," respecting and protecting the basic rights of all groups, including employees, suppliers, local community residents, children, and other parties who may be affected by our business operations. We have established a communication mechanism with local communities, employees, government agencies, investors, and other stakeholders to identify potential human rights risks regularly. We focus on the rights of vulnerable groups and provide human rights protection training for employees and contractors to ensure the implementation of our human rights policies and mitigate related risks. In 2024, there have been no incidents of child labor, forced labor, or human trafficking that violated our human rights policies in our global business operations.

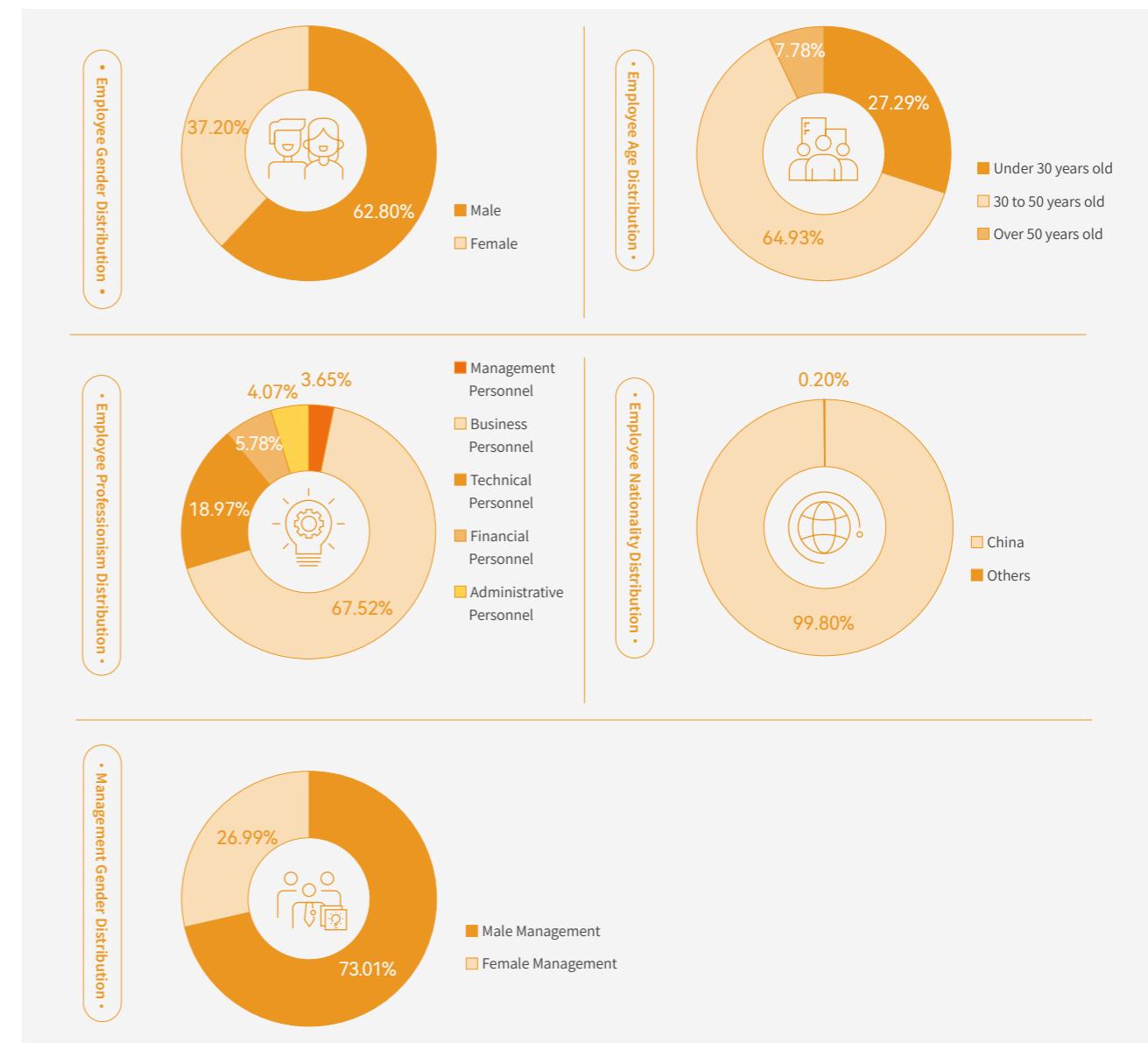
Equal Employment

We comply with the "Labor Law of the People's Republic of China," the "Labor Contract Law of the People's Republic of China," and other employment laws and regulations of the countries and regions where we operate. We are committed to lawful employment, fair employment practices, and equal pay for equal work, ensuring that wages meet or exceed the minimum legal standards. We strictly prohibit and resist all forms of forced labor, child labor, slavery, and human trafficking, and are dedicated to creating an equal, inclusive, and diverse working environment. In the recruitment, placement, compensation, performance evaluation, and promotion processes, we do not discriminate against candidates or employees based on their race, religion, gender, age, sexual orientation, disability, nationality, cultural background, or other personal characteristics. We ensure that female employees and qualified employees with disabilities have equal pay, benefits, and employment opportunities. We oppose any form of discriminatory employment practices and provide equal opportunities for work and advancement.

Recruitment Management

We have established management systems such as the "Human Resource Management Regulations" to ensure compliance and fairness throughout the recruitment process. To prevent potential risks of non-compliance during recruitment, we implement a "relative clause avoidance" mechanism and strictly follow management procedures for each step, including interviews, assessments, background checks, and recruitment approvals. We respect the personality and dignity of every candidate, and recruitment decisions are based on professional qualifications, personal skills, and overall qualities, ensuring that the interview evaluation and hiring process are fair and consistent. We encourage a two-way selection process, promoting the best match between talent and job roles.

As of December 31, 2024, we have a total of 47,422 employees, with the following employee structure:



Exit Management

We strictly adhere to relevant laws and regulations and have established a standardized resignation management process. When an employee expresses an intention to resign, we arrange exit interviews with their direct supervisor, department head, and human resources personnel to gain a comprehensive understanding of their reasons and concerns. For talent with high-potential, key business personnel, or management staff, we actively implement retention measures through internal coordination and communication. Additionally, we conduct monthly analysis of employee turnover to closely monitor workforce stability.

Anti-Harassment and Anti-Bullying

We are committed to fostering a diverse and inclusive work environment, ensuring zero tolerance for any form of harassment or bullying. We strictly prohibit violence, insults, defamation, or any actions that disrupt social order, including but not limited to speech, gestures, or behaviors that infringe on the dignity and freedom of others. Abuse of authority or any improper interference with employees is strictly forbidden. We stand firmly against bullying and harassment, safeguarding every employee's right to respect and personal freedom.

Employee Complaints and Protection

We have established clear complaint and appeal channels in our "Human Resources Management Regulations" to address any suspected violations of our "Anti-Discrimination and Anti-Harassment Policy." Employees who experience such behavior can report their concerns to the Human Resources Department, the company's labor union, or escalate their complaint to the relevant functional departments or senior management. The responsible department must initiate an investigation and provide feedback within five working days. We are committed to protecting the confidentiality of all victims and complainants, ensuring that no retaliatory actions occur. To reinforce the implementation of our anti-discrimination and anti-harassment policy, we take proactive measures such as strengthening internal management, establishing oversight mechanisms, maintaining transparent complaint and appeal channels, conducting effective training programs, and guiding employees toward appropriate workplace conduct. Through these efforts, we strive to foster a positive and healthy corporate culture and work environment.



Democracy and Freedom

We prioritize open communication with our employees, respecting their democratic rights and freedom of association as granted by the Constitution and legal regulations. Our "Human Resources Management Regulations" clearly define the fundamental rights of employees, encouraging them to express diverse opinions and ideas to contribute to the company's sustainable growth. We actively promote collective consultation and mediation mechanisms, establish trade unions in accordance with the law, and hold regular employee representative meetings. To regulate daily union operations, we have formulated the "C&D Inc. Trade Union Federation Management Regulations," ensuring employees' rights to information, participation, management, and supervision. By leveraging online surveys, we gather employee feedback extensively and maintain a structured communication mechanism with our subsidiaries. This not only facilitates the dissemination of strategic and corporate cultural values but also helps us understand employees' concerns and frontline needs, providing valuable insights for optimizing management decisions. In 2024, our trade union representatives reviewed and signed a collective agreement covering various employment terms, including remuneration systems, minimum wages, social insurance, working hours, workplace safety, occupational environment, and protections for female employees. This agreement applies to all employees across the company.

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Employee Development

We have established management policies such as the "Human Resources Management Regulations," "Compensation and Benefits Management Regulations," and "Regulations on the Management of Rewards and Punishments" to ensure fair recruitment, promotion, compensation, benefits, and occupational health protection. We place great importance on employee training and personal development, adhering to the principle of meritocracy and providing ample career development opportunities and learning resources. For personal career growth, we implement a multi-tiered job classification system that covers various levels, from entry-level to senior management, to meet the needs of different positions and employees' career development paths. We have also established a dual career development pathway, "Professional + Management", and adhere to a performance-driven approach of "promoting the capable, rewarding the excellent, adjusting the underperforming, and eliminating the unfit." This approach fosters organizational vitality and provides a platform for employees to realize their full potential.

Employee Compensation and Benefits

We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations. We have established management policies such as the "Human Resources Management Regulations," "Compensation and Benefits Management Regulations," and "Regulations on the Management of Rewards and Punishments" to ensure that employees' working hours including those of female employees during breastfeeding, pregnancy, and maternity leave, as well as their working environment, fully meet legal requirements. We provide employees with competitive salaries and benefits, ensuring that wage levels are not lower than the minimum standards set by law.

Performance-based Compensation

We have established a compensation structure centered on salary, supplemented by allowances, bonuses, and benefits. We regularly monitor and evaluate market trends and industry levels to review the reasonableness of compensation settings, ensuring employees are offered competitive and fair compensation and benefits. A scientific and diverse performance evaluation system helps employees understand work targets and expectations, evaluating their performance, capability, and attitude during the assessment period, identifying weaknesses, and providing guidance and support. This aids in planned work improvement and serves as an objective basis for decisions on rewards, promotions, and appointments. Performance assessment indicators related to sustainable development topics like innovation, risk management, work safety, and quality improvement are integrated into departmental and employee performance assessments, motivating employees while ensuring effective implementation of sustainable development policies. In 2024, we strictly adhered to national laws and regulations, as well as our internal compensation management system, to ensure the timely and fair payment of employees' wages, fully safeguarding their labor remuneration rights.

Management personnel

- Performance evaluations are conducted through multiple dimensions, including business performance assessments, personal debriefing, democratic evaluations, and interviews.



Other personnel

- Performance evaluations are conducted through objective management, where work goals and key indicators are set, and results are assessed and feedback is provided.



Employee Benefits

We care about our employees' fundamental needs in physical and mental well-being, critical illness medical care, working conditions, family caregiving, breastfeeding, and childcare, and have established a long-term benefits plan. In addition to statutory benefits such as social insurance and housing funds, we have implemented a corporate annuity system and provide group commercial insurance (including overseas insurance). We also offer various allowances, including business travel, housing, relocation, communication, professional title/certification, teaching, part-time work, management trainee, high-temperature/cold-weather, meal, holiday, and special position allowances (such as night shift). Additionally, we provide health management services and employee engagement activities through our labor union. Beyond statutory holidays, we grant employees annual leave, marriage leave, maternity/paternity leave, caregiver leave, parental leave, breastfeeding leave, bereavement leave, sick leave, and personal leave. The duration of these leaves is adjusted based on employees' tenure and national regulations to accommodate different needs, helping employees balance work and life while enhancing job satisfaction and well-being. We encourage employees to take their entitled leave, and salaries for annual leave, marriage leave, paternity leave, bereavement leave, and breastfeeding leave are paid as normal working wages. In 2024, the total paid parental leave taken by our employees amounted to 7,799 days.

Highlight | Lactation Room

We provide a lactation room for female employees, equipped with water dispensers, refrigerators, sofas, etc.



Lactation Room

Highlight | Employee Financial Assistance

We have established a corporate relief fund to provide necessary financial assistance to active employees (or their spouses, children, parents, parents-in-law, and other family members) and retired employees who face financial difficulties due to a diagnosed critical illness, major unexpected events, or severe physical disabilities. This initiative aims to support them in overcoming challenges caused by unforeseen circumstances or serious illnesses.

Highlight | Women's Care Month

Every March, C&D Real Estate organizes a series of activities for Women's Care Month, celebrating the contributions of female employees. Through the "She-Power" campaign, we highlight the personal achievements and professional excellence of women across different business sectors and positions, recognizing their vital role in the company's growth. Local trade unions arrange activities such as spring outings, handicraft workshops, flower arranging, and fitness sessions to help female employees relax and enhance their well-being. On International Women's Day, the company cafeteria also offers specially curated meals for female employees, promoting health and well-being through thoughtful dietary choices.



Women's Care Month Activities

Talent Cultivation

We continuously promote the improvement and enrichment of our talent development system, fostering a progressive learning-oriented organization. We have established an employee training system composed of a competency framework, curriculum system, instructor system, operational system, and learning platform. Our training programs cover fundamental business training, specialized training, risk prevention series training, new employee induction camps, key personnel training programs, and mid-to-senior management training. A dedicated training center has been set up at our headquarters, along with multiple training plans, to provide employees with diverse learning opportunities, enhancing their professional expertise, global perspective, and risk awareness. In 2024, we conducted a total of 25,048 training sessions, accumulating 1,387,623 training hours, benefiting 531,822 participants.

In addition, we regularly conduct internal recruitment activities each year based on the talent needs of key positions and newly established departments. For employees who are not well-suited to their current positions but demonstrate strong performance and excellent qualifications, our HR departments at all levels actively assist in finding other internal development opportunities. This ensures a better alignment of talent with the right roles and provides employees with continuous learning and career advancement platforms. While meeting the talent needs of critical positions and newly established units, we also offer employees new opportunities for career development. In recent years, our internal recruitment activities have attracted approximately 100 participants.

In 2024

We conducted a total of
25,048 training sessions

Accumulating
1,387,623 training hours

Benefiting
531,822 participants

Highlight | Thematic Learning Projects

In 2024, we organized 70 senior executives from the supply chain operations business line to attend thematic learning sessions and industry visits at Tsinghua University PBC School of Finance. The courses focused on topics such as artificial intelligence, global trade patterns, and the RMB internationalization. The training combined short-term courses with specialized seminars, aiming to broaden the strategic perspectives of our executives, learn from advanced practical experiences, and enhance their overall decision-making capabilities.

Highlight | Management Skills Enhancement Training

We provided offline training for 167 employees newly appointed to management positions, covering topics such as corporate culture, integrity in professional conduct, team management, and role transition. This training helps the new managers adapt to their role changes, establish a management mindset, and acquire essential management skills. The aim is to build a workforce with strong cultural alignment, excellent professional ethics, effective collaboration, and high adaptability.

Highlight | "Flagship Employee" Training Program for Management Trainee

The "Flagship Employee" training program focuses on corporate culture, product concepts, and business fundamentals. Centered around the theme of cultural integration, the program uses a variety of methods including lectures, executive sharing sessions, project visits, team-building activities, knowledge competitions, and discussion forums. The goal is to help newly hired management trainees deepen their understanding of the company's overall situation and cultural values, assisting them in quickly transitioning from "campus individuals" to "C&D people" within the company.

Highlight | "Youth Gathering" Program of Youth Cadre Development Community

In 2024, we launched the "Youth Gathering" program for young cadres in the supply chain operations business field. Throughout the year, we held 12 internal sharing sessions called "Late-Night Knowledge Hall" and 5 expert-led "Big Names at Noon" courses. These activities promoted understanding and communication between business and functional departments, expanded the horizons of young cadres, and enhanced their overall skills and capabilities. The program aims to cultivate young talent with management potential and leadership qualities for the company.

Highlight | "Team Building" Training for Key Business Talents

In 2024, we organized a 4-day "Team Building" training for 117 key business talents. The training utilized internal sharing, discussion sessions, team-building exercises, and external expert lectures to help participants gain a deep understanding of the value of teamwork, improve organizational awareness and overall skills, and cultivate a reserve cadre team with development potential.

Highlight | "Blackstone Plan" Training Program

The "Blackstone Plan" training program includes two major modules: "Blackstone Plan- Advanced Marketing Bootcamp" and "Blackstone Plan - Project Management Enhancement Class." Through the organic integration of customized courses and practical activities, the program aims to systematically improve employees' professional abilities and practical skills in the fields of marketing and project management.

Highlight | "Stellar Sprint Bootcamp" Program

The "Stellar Sprint Bootcamp" program, with the theme "Fearless and Purposeful," focuses on the recruitment and systematic development of outstanding graduates. It aims to optimize the company's talent structure and reserve youthful strength for the industry. The program builds a specialized curriculum system around industry background, company culture, job responsibilities, and career development paths, and helps participants acquire industry knowledge and accumulate practical experience through professional instructor guidance and systematic course arrangements.

Highlight | "E-Learning" Online Training Platform

We have built the "E-Learning" online training platform to provide employees with high-quality online educational resources. The platform offers courses in various themes, including "TOEIC English," "Big Trends," "Financial Empowerment," "Overseas Markets," "Industry Insights," "Leadership Zone," "International Exchange Rates," and "Frontline Information." Employees can select courses based on their job requirements, position level, and personal interests, and participate in self-directed learning. By December 2024, we had launched 1,303 online courses on the "E-Learning" platform, with an average learning time of 62.5 hours per person and an average of 1,910 learners per course. In 2024, we launched the "TOEIC English" learning and exam preparation section on the "E-Learning" platform, strengthening the language foundation for the international development of our employee workforce. A total of 25 TOEIC exams were organized throughout the year, with 988 participants. The excellence rate (800 points and above) reached 31%.

In 2024

We had launched 1,303 online courses on the "E-Learning" platform	We had organized a total of 25 TOEIC exams	The excellence rate (800 points and above) reached 31%
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School-Enterprise Collaboration

We continue to deepen our relationships with universities, with the scale of our partner institutions expanding year by year. We are committed to enhancing the communication, connectivity, and trust between the enterprise, universities, and students. We actively explore and build a new model of collaboration between industry and education, opening up practical, effective, and feasible new paths for talent development. We have signed cooperation agreements with many institutions, including Peking University, Xiamen University, Dalian Maritime University, Ocean University of China, Fuzhou University, Jinan University, Nankai University, Central University of Finance and Economics, and the University of International Business and Economics. In 2024, to meet the development needs of key regions such as Southeast Asia, South America, Europe, and Africa, we strengthened our overseas recruitment channels, primarily through campus recruitment, headhunter channels, and websites, supporting units at all levels in recruiting foreign or expatriate talent. At the same time, we continue to accumulate experience in overseas employment, conduct ongoing research into labor policies and talent environments in key regions, and improve our overseas employee commercial insurance system to safeguard our employees' international careers.

Highlight | Recruitment at Hong Kong Campus

Campus recruits with an international perspective are a key force in supporting our future innovative development and success. The Guangdong-Hong Kong-Macau Greater Bay Area, with its high degree of openness and strong economic vitality, has attracted a large number of young talents. We have made Hong Kong our first destination for overseas recruitment, marking the "starting whistle" for the introduction of international talent. In 2024, our recruitment team went to Hong Kong for on-site recruitment and exchanges, successfully hiring 12 graduates from universities such as the University of Hong Kong, Chinese University of Hong Kong, City University of Hong Kong, Hong Kong Polytechnic University, and Hong Kong University of Science and Technology.

Highlight | "Lift Yourself" Summer Internship Program

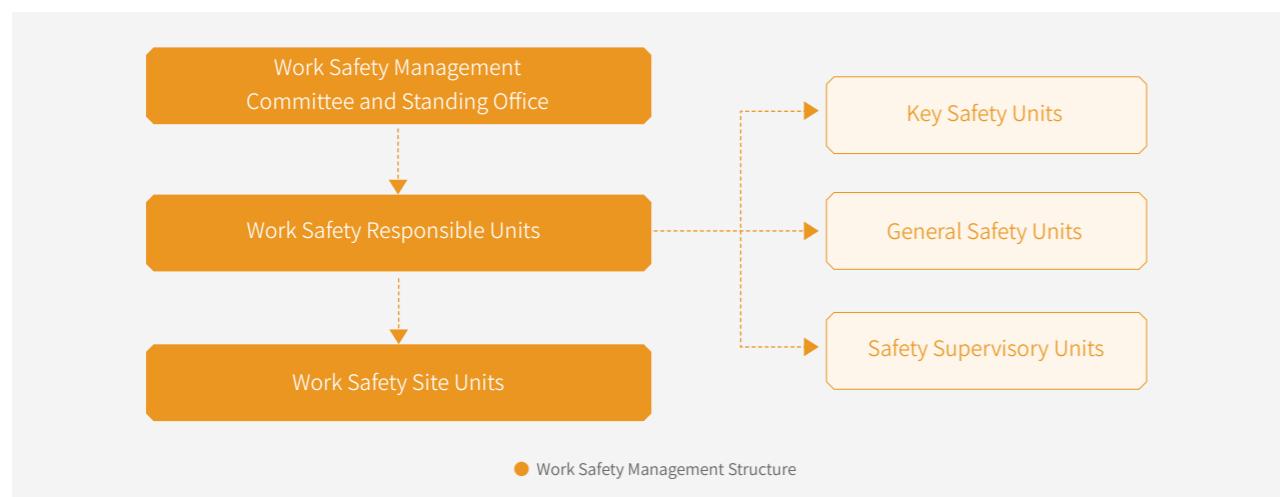
Based on the principles of openness, inclusivity, and diversity, we regularly hold the "Lift Yourself" internship program every summer. This program is open to students from universities around the world, with no restrictions on nationality or major. In this program, each intern is paired with a mentor who provides one-on-one, systematic training and extension activities. We also organize practical tasks, field visits, and other internship activities. The interns' work performance during their time with us is recorded, assessed, and evaluated. Upon completion, eligible and high-performing interns may be offered opportunities for full-time employment through campus recruitment, and they can become campus ambassadors and receive internal referral qualifications, along with generous referral bonuses. In 2024, 59 students from universities such as Tsinghua University, Peking University, Fudan University, Renmin University of China, Huazhong University of Science and Technology, Xiamen University, Central South University, and Beijing Foreign Studies University participated in the "Lift Yourself" summer internship program.

Occupational Health and Safety

We prioritize work safety and employee health, adhering to the principles of "safety-driven services, strategy-guided management" and the policy of "safety first, prevention-oriented, and comprehensive management." We have developed the "Occupational Health and Safety Policy," which was discussed and approved by the Employee Representative Congress and endorsed by the Chairman. We continuously optimize internal systems such as the "Regulations on Work Safety Management," "Guidelines for the Construction of Work Safety Management System," "Work Safety Regulations of Party and Government Joint Responsibility, Dual Responsibility for Each Post, Joint Effort for Management, and Accountability for Negligence," "Regulations on Reporting Major Safety and Stability Issues and Emergencies," "Work Safety Education and Training System," "Hazard Identification and Control System," "Safety Management Measures for Large-Scale Event," and "Overseas Institutions and Personnel Safety Management Regulations." These efforts aim to enhance our occupational health and safety management system and reduce various health and safety risks to the minimum, ensuring the occupational health and safety of our employees. Additionally, through the "Supplier Code of Conduct," we encourage suppliers to establish and improve their occupational health and safety protection systems, strengthen safety management responsibilities, and clarify specific preventive measures to effectively reduce the risk of occupational diseases and work-related injuries. This ensures that the health and safety of their employees are protected in line with our "Regulations on Work Safety Management." In 2024, we revised and improved the "Guidelines for the Construction of Work Safety Management System" in alignment with international standards such as ISO 45001 and OHSAS 18001, further improving our occupational health and safety management system and enhancing the overall level of safety management.

Work Safety Management Organization

We strictly adhere to the "Work Safety Law of the People's Republic of China" and have established a Work Safety Management Committee as the core body responsible for work safety management. The committee is chaired by the General Manager, with the Deputy General Manager and the General Managers of key safety units serving as vice-chairs. Additionally, we have established a three-tier safety management structure. In accordance with the different characteristics of subsidiaries, including the nature of the company, business types, and primary risks, the safety responsibility units are classified into three categories: key safety units, general safety units, and safety supervision units. This classification ensures that safety management measures are tailored to local conditions and efficiently applied.



We allocate qualified safety management professionals to ensure compliance with regulatory requirements. Units with more than 100 employees establish dedicated safety management departments or appoint full-time safety personnel, while those with fewer than 100 employees assign either full-time or part-time safety personnel. For operations involving metal smelting and hazardous chemicals, we strictly enforce high-standard safety management requirements, ensuring that the proportion of certified safety engineers is no less than 15%. Currently, we have 22 certified safety engineers, with both the number and expertise meeting national legal and regulatory requirements. In accordance with the "Incidents and Major Matters Reporting Regulations," we have defined the scope and procedures for reporting safety incidents, ensuring timely and accurate information transmission to enhance our emergency response capabilities.

In 2024, we signed 182 safety responsibility agreements with all safety responsibility units and an additional 287 agreements with external entities, including partners, outsourcing parties, suppliers, tenants, and engineering contractors, achieving a coverage rate of 100%.

In 2024

We signed
182
safety responsibility agreements
with all safety responsibility units

And an additional
287
agreements
with external entities, including
partners, outsourcing parties,
suppliers, tenants, and engineering
contractors

Achieving a coverage rate of
100%

Risk Management for Work Safety

We strictly implement and continuously optimize the "Work Safety Management System on Risk Classification and Hazard Inspection" to systematically identify major hazard sources and enforce corresponding risk classification control measures. To enhance workplace safety and reduce injuries and accidents, we have designated gas systems, elevators, high-rise fire safety, and hazardous operations (hot work, confined spaces, working at heights, and temporary electrical use) as company-level core risks. For each risk category, we have established specialized control regulations, such as the "Elevator Safety Management System," "High-Rise Building Fire Safety Management System," "Gas Safety Management System," and "Hazardous Operations Safety Management System," ensuring standardized and institutionalized safety management while requiring subsidiaries to strictly comply with relevant risk prevention measures.

We have established a dual prevention mechanism for safety risk classification control and hazard inspection and management. Each key safety unit identifies hazards based on its specific operational characteristics and applies the LEC method to classify risks such as container risks, warehouse risks, and 4S shop risks while implementing corresponding control measures. Additionally, we continuously enhance safety training and routine inspections to ensure the effective execution of risk prevention measures.

In 2024, we developed the "Key Hazard Source Management" module within our safety management platform to enhance the management of four key hazard sources of gas systems, elevators, high-rise fire safety, and hazardous operations. Pilot units have successfully implemented online approval for hazardous operations and periodic inspections of key hazard sources. Additionally, we have strengthened the application of intelligent monitoring technologies by introducing digital safety management tools, enabling real-time monitoring and data analysis of high-risk operations, further improving safety early warning and emergency response capabilities.

Highlight | Updates and Applications of the Smart Engineering System

C&D Real Estate continuously advances the update and application of its smart engineering systems, leveraging digital tools to enhance personnel management and safety hazard inspections at construction sites. The system ensures that safety management requirements such as "personnel information registration, pre-job training, violation education, and hazard Closed-Loop Management" are effectively implemented, and it enables comprehensive tracking and rectification of safety incidents. In 2024, the company took the lead in pilot testing a range of intelligent construction tools, including measurement robots, plastering robots, facade measurement robots, floor leveling robots, smart construction elevators, pile foundation managers, and smart rulers. Among these, the smart construction elevator can replace manual ladder operations and automatically detects the number of passengers, overload conditions, and whether safety helmets are worn using infrared cameras and sensors. If violations are detected, the smart elevator will activate an automatic power cut and ensure that it only operates when the lift cage is fully closed, significantly improving the safety performance of the equipment.

Highlight | Building Safety Protection Network for Community

C&D Property has established a "Five-layer defense system" for home security and a "Nine Layers of Prevention" safety framework for the communities under its management. It creates a multi-tiered, fully-covered safety protection network within the community. Additionally, C&D Property regularly organizes community safety awareness campaigns, focusing on key areas such as electric vehicle safety and household electrical safety. These efforts aim to enhance residents' awareness and capability in identifying and preventing safety risks.

Work Safety Inspection

We conduct quarterly evaluations of our safety management system in strict accordance with the "Safety Evaluation Plan" and incorporate the results into the safety assessments of key safety units, driving continuous optimization of our safety management process. To ensure that the work safety management systems of our stores meet national standards, our logistics and automobile subsidiary actively participate in work safety standardization ratings. Government emergency management departments conduct safety audits every three years in compliance with the "Guideline of China occupational safety and health management system" (GB/T33000). In 2024, we intensified safety inspections, completing on-site checks at 29 key safety units and identifying and rectifying 149 safety hazards. Additionally, each safety key unit conducts regular self-inspections and self-corrections monthly, resulting in the rectification of 2,439 safety hazards throughout the year, significantly improving our safety management level.

In 2024

We completed on-site checks at

29 key safety units

Resulting in the rectification of

2,439 safety hazards

Emergency Management for Work Safety

We have developed the "Emergency Management Regulations for Work Safety Accidents," which clearly outline requirements for contingency planning, team building, material preparedness, and drills. We have established a three-level emergency plan system, consisting of 6 comprehensive emergency plans, 7 special emergency plans, and 24 on-site response plans. In line with the "rapid response, hierarchical reporting" principle, the work safety leaders of subsidiaries report any emergency matters up the chain of command. In cases of urgent emergencies, reports can be directly made to the head of the company's work safety working group or the chairman of the board. Once an emergency incident or accident occurs, the company's work safety working group immediately activates the relevant emergency plans and quickly organizes accident rescue efforts. The unit head arrives at the scene as soon as possible, takes effective measures, organizes rescue operations, prevents the incident from escalating, and minimizes casualties, property damage, or damage to the company's reputation.

We have developed the "Emergency Management Regulations for Work Safety Accidents," which clearly define requirements for plan development, team building, material preparedness, and drills. Each of our key safety units has created emergency plans for high-risk scenarios, considering their specific business operations. These plans address potential emergencies such as fire escape, safety accidents, and typhoons. The units regularly organize fire safety drills and emergency response exercises to improve the emergency handling capabilities of all employees. In 2024, in line with the company's emergency plan system, our key safety units collectively conducted 497 emergency drills, with a total of 5,863 participants. The drill topics covered various scenarios, including typhoon and flood prevention, fire safety, high-altitude falls, mechanical injuries, chemical burns, hazardous materials leaks, and heatstroke in high-temperature weather.

In 2024

Our key safety units collectively conducted

497 emergency drills

With a total of

5,863 participants



Training and Education on Work Safety

We place great importance on the occupational health and safety education of our employees and strictly adhere to the "Work Safety Education and Training System" to provide safety training and education. To further enhance the safety protection of our overseas institutions and personnel, we have revised the "Safety Management Regulations for Overseas Institutions and Personnel," which clearly require the sending units to organize safety education and training for personnel before they are dispatched abroad. We have also refined the safety management standards for overseas institutions and personnel. In 2024, we revised the "Safety Training Outline" to improve the relevance and effectiveness of our safety training. The updated training content includes safety management qualification training, new employee safety training, emergency firefighting skills training, safety management platform operation training, work safety standardization training, CPR certification training, and occupational health online training.

In 2024

We and our key safety units collectively conducted

1,289 safety training sessions and drills

With a total of

26,955 participants

The employee safety training coverage rate reached

100%

Occupational Health Management

We place a high priority on employee occupational health management, strictly adhering to relevant laws and regulations such as the "Law of the People's Republic of China on Prevention and Control of Occupational Diseases," "Provisions on the Administration of Occupational Health at Workplaces," and "Classification and Catalogue of Occupational Diseases." We continuously improve our occupational health management system by implementing reasonable working hours, flexible work arrangements, and providing services such as online occupational health training, health check-ups, and psychological health assessments. These efforts are aimed at providing employees with a safe, healthy, and comfortable working environment. In 2024, we achieved a zero incidence rate of occupational diseases.

Employee Assistance Program

We place great importance on the mental health of our employees and have introduced the Employee Assistance Program (EAP) – the "Employee Mental Health Care Plan," which provides systematic, long-term professional psychological support and services. Through the EAP, professional staff offer diagnostic advice, psychological counseling, and related training for employees and their family members (with a strict commitment from both our company and third-party institutions to protect the privacy and confidentiality of those seeking counseling). This program is designed to help employees address psychological concerns and reduce health risks associated with mental health issues and work-related stress.

The EAP program includes the following services

Psychological Counseling and Support

- We provide employees with convenient access to psychological counseling and support. Employees can connect with professional psychologists through various channels, including phone, online chat, or face-to-face consultations. These sessions offer a platform to discuss and resolve a wide range of work and life challenges, enhancing employees' mental health and strengthening their ability to cope with stress.

Crisis Intervention and Emergency Assistance

- In the event of accidents, family crises, or other emergencies, we will activate our crisis intervention mechanism to provide employees with immediate support. This helps employees navigate through difficult times and regain stability.

Employee Health Management

In addition, we strengthen employee health management through the following measures

- We offer an employee canteen that provides scientifically balanced, healthy work meals to optimize nutrition intake.
- We have established fitness groups and organize courses such as yoga, swimming, and aerobics, along with providing sports nutrition guidance to help improve employees' physical fitness.
- We regularly organize a variety of cultural and sports activities, such as hiking challenges, holiday events, annual sports meets, and staff basketball games, as well as providing facilities that promote physical and mental well-being, such as a gym and the "WE Reading Space" employee library. These activities enrich employees' leisure time and contribute to their overall health.



Employee Canteen with Special Features



Fitness Classes



Work Schedule Management

We strictly adhere to the "Labor Law of the People's Republic of China" and relevant local regulations regarding working hours. We advocate for a work-life balance by implementing a standard weekend off policy (two days off per week) and rigorously controlling unnecessary overtime. We ensure that employees are entitled to their legal rest periods and holidays, and we maintain their workload within reasonable limits to protect their physical and mental health. For positions that require flexible working hours or the comprehensive calculation of working time, we ensure compliance with relevant policies by reporting to management as required. By standardizing attendance and preventing excessive overtime, we promote a healthy work-life balance and create a safe, healthy working environment for our employees.

Highlight | Visits and Care for Frontline Employee

We regularly organize "Cool Relief" and "Warm Care" initiatives to support our employees in extreme weather conditions. During the scorching summer, we provide cooling refreshments such as cold drinks and Four-Ingredient Soup to help employees stay hydrated and refreshed. In the chilly winter, we distribute hot dumplings and glutinous rice balls to offer warmth and comfort. These efforts ensure that our employees work under suitable conditions, safeguarding their occupational health and well-being.



Governance

Governance Performance Targets in 2024		Completion Status
1	Establish a Nomination Committee to continuously improve the sustainability governance framework	✓
2	Revise and enhance sustainable development policies and systems in conjunction with business operations and development	✓
3	No lawsuits occurred during the year due to commercial bribery or corruption-related actions	✓
4	No significant losses arise from conflicts of interest	✓
5	No cases of money laundering or insider trading	✓
6	No major lawsuits or administrative penalties result from unfair competition	✓
7	A sustainability report is disclosed annually to update stakeholders on the company's sustainability governance achievements	✓

✓ Completed ➡ In Progress ✘ Unfinished

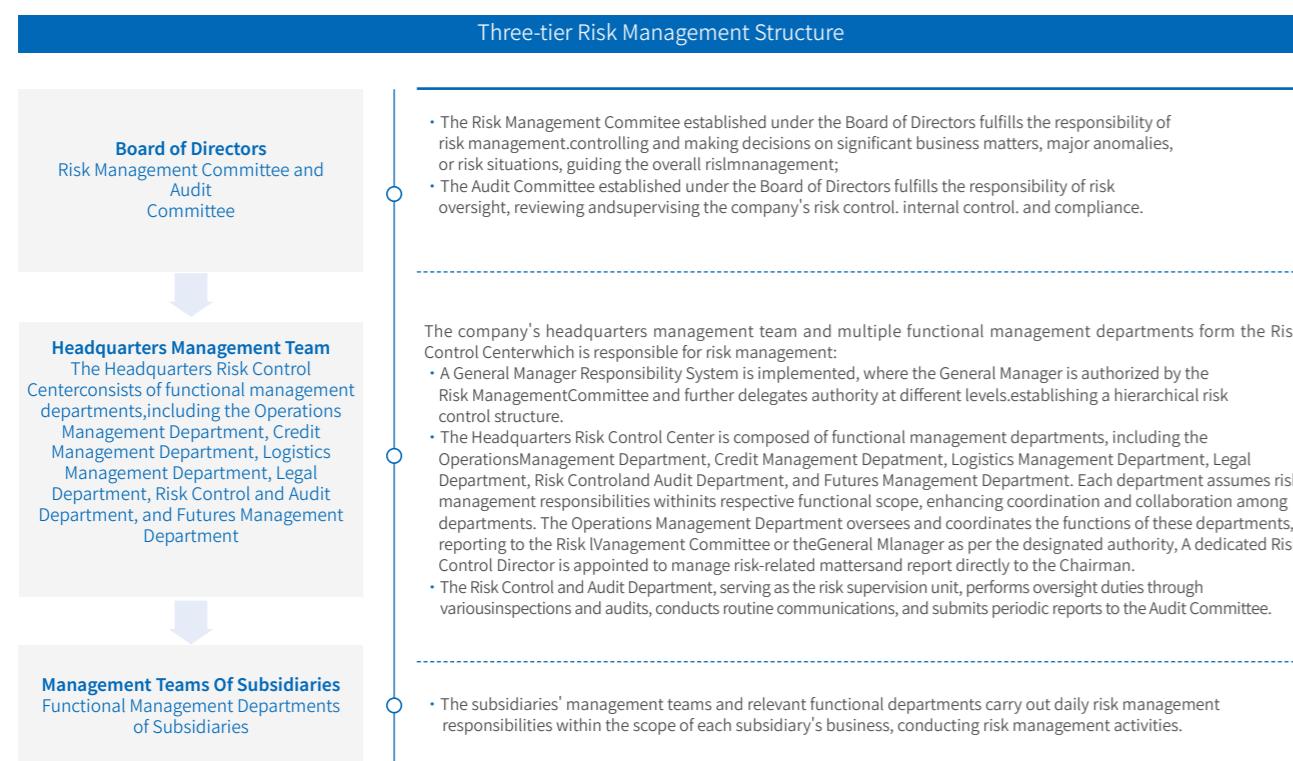
03

Risk and Compliance Management

We have elevated risk management to a strategic level, integrating it into our "professionalized" operational strategy. By tailoring business management frameworks for different industries, we deeply embed risk management into our business, market, and industry operations, ensuring that risk management was incorporated throughout all stages of operations. From risk management philosophy, governance structure, and procedural systems to execution and supervision, we continuously refine a risk control framework that spans the entire business process and lifecycle. This structured approach characterized by specialization, tiered management, and streamlined processes ensures the company's stable and sustainable operations.

● Risk Management Structure

We have established a three-tier risk management framework comprising the Board of Directors, headquarters' management and functional departments, as well as subsidiaries' management teams and relevant departments. To enhance risk oversight, we have formulated and continuously refined the "Internal Control Management Manual," along with internal regulations such as the "Management Guidelines of Supply Chain Operations Process," "Logistics Management Regulations," and "Credit Management Regulations." By identifying and assessing potential operational risks, we have developed a comprehensive risk control matrix to standardize key business processes, strengthen process controls, and manage critical risk points. This structured approach ensures robust risk prevention across all business operations.



Taking the two categories of credit risk and exchange rate risk that we have already identified as examples

Risks Types	Description of Risks	Risk Level	Likelihood of Occurrence	Severity of Impact	Response Measures
Credit Risk	Losses incurred due to the counterparty (supplier or customer) failing to fulfill contractual obligations (such as delivery, receipt, payment, etc.) on time.	Mid-Level Risk	Low	Low	We establish a trading counterpart admission system that matches the characteristics of goods and transaction features of each business sector, conducting comprehensive evaluations of customer qualifications and credit risks. We have developed comprehensive credit management methods, strictly implementing centralized credit approval managed by the headquarters. We dynamically adjust customer credit strategies and control plans by tracking industry changes and customer information through internal and external channels. Additionally, we utilize various measures such as export credit insurance and domestic credit insurance to strictly control credit risks.
Exchange Rate risk	With the advancement of our internationalization strategy, the scale of business settled in foreign currencies such as USD has been continuously increasing. As a result, we face exchange rate fluctuation risks in our daily operations.	Mid-Level Risk	Medium	Low	We manage exchange rate risks through centralized control at our headquarters, with relevant management regulations and implementation details in place. Based on factors such as risk tolerance, overall financial status, and exchange rate trends, we set overall limits for various foreign exchange transactions involving exchange rate risks. Each business unit's foreign exchange transactions are individually approved by the Treasury Department at the headquarters, based on specific circumstances. Our exchange rate management team and Treasury Department prudently utilize derivative financial instruments under the principle of hedging risks, in order to mitigate exchange rate fluctuation risks.

In the risk management process, we continuously adjust key risk indicators on a quarterly basis, taking into account market conditions and actual business operations. For potential or likely risks or disputes identified during business development, we take timely measures as required and report them accordingly. We incorporate all risk control processes into the company's management system, clearly defining the responsibilities of each department and the approval decision-making authority. We standardize hierarchical reporting and strengthen follow-up tracking of the execution of these processes by relevant departments, ensuring that risk control processes are effectively implemented to monitor and prevent potential risks.

In 2024, we revised the "Member Composition, Responsibilities, and Authorization Compliance of Risk Management Committee" to optimize special authorizations and management rules regarding client operational resource allocation limits, further improving the management mechanism of the Risk Management Committee. We conducted a comprehensive review of key business processes, assessed current internal management systems, and made timely revisions to regulations such as the "Finance Management Regulations," "Fund Management Regulations," "Futures Business Management Regulations," "Legal Practice Management Regulations," "Tender Management Regulations," and "Contract Seal Management Regulations" based on adjustments to management processes and measures. This ensures the timeliness and effectiveness of the regulations while strengthening the construction of the risk management system.

We have established systems such as the "Regulations on the Management of Rewards and Punishments," "Risk Fund Management Measures," and the "Interim Measures for Accountability of Violations in Business Operations and Investments" to link key risk indicators with the compensation of management personnel, ensuring the implementation of risk management responsibilities. In addition, when evaluating employee performance and compensation, we incorporate factors such as whether performance targets are achieved within the controllable risk range and whether effective risk prevention measures have been taken into the evaluation criteria.

● Risk Control and Compliance Inspection

The Audit Committee under the company's Board of Directors is responsible for reviewing and supervising risk management and internal control compliance. Our Risk Control and Inspection Department is tasked with conducting risk control compliance checks, internal control audits, and evaluations for various functional departments and subsidiaries. This strengthens the supervision of risk control compliance, ensuring timely and effective risk management. It also facilitates the identification of issues related to the construction and execution of internal control systems and processes, provides relevant recommendations for improvements, and ensures the implementation of corrective actions, continually enhancing our risk control capabilities and effectively preventing risks.

In 2024, we carried out the following internal compliance checks

- Monitored the entire process of 405 risk control projects, involving 1,240 related contracts, issuing early warnings for identified risks and following up to ensure proper handling and resolution.
- Organized and completed the annual internal control self-assessment, thoroughly examining the effectiveness of our internal control system in accordance with our Internal Control Manual, promptly identifying deficiencies, implementing corrective actions, and ensuring the effectiveness and compliance of the risk management processes.
- Completed 29 special audits, covering critical risk areas such as cost reduction, operational management, human resources management, project tendering, claims business, and post-investment management. These audits evaluated management effectiveness, strengthened supervision of joint venture projects, and urged subsidiaries to implement corrective actions for identified issues, continuously improving business processes and internal control mechanisms.
- For C&D Real Estate, focused on key risk management issues in sales management, marketing expense management, and marketing tender management, conducting quarterly spot checks on typical projects to ensure full coverage across all business units, and carrying out internal checks on key projects within each cluster each quarter.
- Each cluster of C&D Real Estate conducted special audits on business lines such as engineering, design, and marketing, based on operational management practices, enhancing front-line internal audits and risk prevention.
- For Lianfa Group, focused on high-risk areas such as project bidding and tendering, project management, marketing, asset leasing, investment, funds management, and procurement of goods and services. Strengthened daily risk monitoring, auditing, and supervision, and ensured timely follow-up and corrective actions for identified issues.

We regularly engage external professional organizations to audit the implementation and effectiveness of our internal control processes at the corporate level, including development strategies, social responsibility, and key business areas such as supply chain operations, real estate development and operations, engineering projects, financial activities, and asset management. In 2024, we entrusted an external audit firm to assess the effectiveness of our internal controls.

● Education on Risk Control

We actively promote various risk management and compliance training programs, using multiple formats to communicate risk control and compliance knowledge to employees, while promoting the policies and regulatory requirements for business management and risk control. This helps enhance employees' awareness of compliance and risk prevention and strengthens their ability to manage risks. Additionally, we encourage employees to report potential risks in a timely manner, and implement corresponding preventive or responsive measures. Employees who contribute to preventing events that may harm the company's interests will be rewarded according to internal regulations.

In 2024, we conducted the following risk control and compliance education and training

Online and Offline Learning



- Through our internal online learning platform, as well as offline group training sessions, case studies, and discussion exchanges, we held 6 training sessions on topics such as supply chain risk management and compliance risk management for all employees, with over 5,000 participants in total.

Specialized Training



- We invited external experts to organize specialized training on topics such as "International Letter of Credit Risk Control" and "International Letter of Credit Settlement Practices," enhancing the professional capabilities of relevant staff. We also conducted specialized supply chain risk management training for risk management personnel in subordinate companies, with 650 participants.

Learning Seminars



- We held management requirement seminars and discussions on topics such as "Revised Risk Control Meeting Management Guidelines and High-Risk Business Management Requirements," where we analyzed high-risk and non-compliant business cases, strengthening risk awareness among relevant departmental staff.

Risk Control Salon



- We hosted the first Risk Control Center Salon, where we shared typical risk control management cases and practical experiences, helping to improve the professional capabilities of key risk management personnel and further improve our risk control and compliance system.

Pre-Job Training



- We provided personalized pre-job training for new hires and personnel transitioning into operations management roles, and organized exchanges for operations management leaders to learn about digitalization and international compliance management.

Commercial Behaviors

We adhere to the corporate spirit of "Solidarity, Devotedness, Integrity, Enterprisingness," strictly comply with the relevant laws and regulations of the countries or regions where we operate, support and respect the requirements of international conventions and standards, and conduct business with high ethical standards to maintain a free and fair market environment. We have formulated and continuously improved the Code of Business Conduct, which provides clear behavioral guidelines for our global business development in areas such as integrity and compliance, conflicts of interest, antitrust and fair competition, prohibition of insider trading, anti-money laundering, adherence to international trade rules, protection of property rights, complaint mechanisms and protection of whistleblowers, and lawful taxation. These efforts contribute to building a trustworthy corporate image for our company and its subsidiaries.

● Anti-Commercial Bribery and Anti-Corruption

We attach great importance to corporate integrity construction. By establishing the "Anti-Corruption and Anti-Bribery Policy," we clearly define the various corrupt and bribery behaviors that are prohibited and take effective measures to prevent corruption risks. We have developed internal management systems such as the "Employee Integrity Management Regulations (Trial)" to regulate employee integrity behavior, ensuring a high degree of alignment between employees' actions and words, and fostering an environment of integrity and fairness in business. Additionally, through the establishment of internal management systems such as the "Human Resources Management Regulations," "Regulations on the Management of Rewards and Punishments," and "Supply Chain Operations Management Regulations," we integrate integrity requirements into daily employee management. We take appropriate disciplinary actions for employees who violate business ethics and clearly set integrity-related evaluation criteria in the year-end performance assessments for the company's management.

● Integrity Risk Management

We implement policies such as the "Anti-Corruption and Anti-Bribery Policy," "Employee Integrity Self-Discipline Regulations," and the "1+X Special Supervision and Coordination Working System" to identify integrity risks that may be involved in critical business processes and key positions, incorporating them into internal controls. We continuously strengthen our supervision and inspection mechanisms to promote the company's integrity and high-quality development. To enhance corporate integrity risk management, we have established the Integrity and Compliance Supervision Group, led by the Chief Risk Officer, with members from key departments such as the Risk Control Audit Department, Operations Management Department, Credit Management Department, and Legal Department. This group is responsible for overseeing the company's integrity and law-abiding operations. Additionally, we have formed a Business Compliance Management Group to review matters related to business compliance, strengthening risk management in ethical operations and business compliance. Both the Integrity and Compliance Supervision Group and the Business Compliance Management Group regularly report their integrity risk management activities to the company's management team, which supervises and provides guidance on the company's integrity risk management goals.

● Supplier Integrity Management

We have issued the "Supplier Code of Conduct," which outlines clear anti-corruption and anti-bribery requirements for our suppliers. It strictly prohibits any form of corruption, extortion, or bribery, and demands that suppliers' business practices be legal, compliant, and aligned with commercial ethics. For potential business partners, including suppliers, we conduct due diligence through qualifications checks, on-site inspections, background investigations, and risk assessments to examine and mitigate integrity risks. During the pre-cooperation phase, relevant compliance departments are involved in the contract approval process to assess the supplier's qualifications and integrity risks. Suppliers are required to sign integrity agreements or law-abiding commitments, and in significant contracts, we include anti-bribery clauses. These measures ensure that suppliers understand our principles of integrity and lawfulness, and the consequences of any violations, thereby constraining their actions and preventing integrity risks. Throughout the business cooperation process, we continuously monitor and track suppliers' business activities and external negative information, such as litigation or instances of dishonesty. If a supplier is found to be involved in corruption or bribery, we will terminate the business relationship, seek compensation, or take other appropriate actions to hold the supplier accountable. In 2024, we organized integrity promotion activities with our subsidiaries, working together with partners to create an environment of integrity, trustworthiness, and mutually beneficial cooperation.

● Integrity Supervision and Inspection

Our Discipline Inspection Committee (hereinafter referred to as the "Disciplinary Committee") continuously strengthens daily supervision, special inspections, and supervision around key areas and important time points. This ensures timely identification of issues and shortcomings, and strict enforcement of corrective actions to prevent integrity risks, safeguard the effective implementation of integrity systems, and ensure that clean governance is fully implemented. For violations related to business operations, the Integrity and Law Compliance Oversight Team and the Business Compliance Management Team will review and investigate. In accordance with internal regulations such as the "Interim Measures for Accountability of Violations in Business Operations and Investments," "Employee Integrity Management Regulations," and "Employee Integrity Self-Discipline Regulations," we will impose penalties on the business units and personnel involved in corruption or violations.

In 2024, the integrity-specific audits and inspections we conducted include

In supply chain operations ▾

- we conducted in-depth integrity inspections focusing on business compliance and other aspects, strictly implementing various disciplinary requirements.

In the real estate business ▾

- C&D Real Estate organized and urged its subsidiaries to conduct timely self-inspection and self-discipline work. Lianfa Group carried out 12 special supervision inspections and organized subsidiaries to conduct self-inspection and correction in a timely manner, with spot checks conducted on key subsidiaries.

● Integrity Training and Education

We place great emphasis on fostering a culture of integrity. By leveraging our corporate WeChat, internal network, and E-Jianxue platforms, we have developed a business-specific integrity culture brand. We conduct diverse and regular integrity education, awareness campaigns, and training programs to enhance the integrity awareness of our directors, supervisors, senior management, and all employees. Our goal is to cultivate an organizational culture that values learning about integrity, reflecting on integrity, upholding integrity, and practicing integrity. In 2024, our integrity training and education initiatives included:

• Regular Integrity Education

- Utilizing the "Clean C&D" integrity promotion platform as the main channel, we conduct continuous integrity education through comics, videos, and other formats.
- Organizing integrity knowledge quizzes for all employees, covering topics such as party discipline regulations, corporate culture, and company policies, with a total of 2,430 participants.
- Conducting integrity discussions with all employees through one-on-one conversations, work meetings, and group training sessions as part of our employee engagement system, reaching over 10,000 employees.
- Providing specialized integrity training for newly recruited employees and organizing integrity compliance learning sessions for all appointed managers.
- Establishing the "Qingfeng Platform" column on the internal network of C&D Real Estate, publishing 18 visual interpretations related to disciplinary development.

• Integrity Education for Party Members and Cadres

- C&D Real Estate organized newly appointed cadres and grassroots Party members to visit the "Love Lotus, Respect Integrity" special exhibition at Xiamen Museum.
- Lianfa Group arranged for Party members and cadres to attend court hearings, visit integrity education bases, and conduct 34 integrity warning education sessions.

• Thematic Integrity Education Activities

- Organized various activities during the Integrity Culture Promotion and Education Month, including Integrity Film Week, carnivals, and integrity-themed work collections, integrating education with entertainment and fostering interactive integrity promotion. Nearly 20 integrity education activities were held, collecting 205 integrity-themed works with approximately 2,000 participants.
- C&D Real Estate launched the "Clean and Upright 345 Action," engaging 22,000 employees in integrity self-discipline commitments and conflict-of-interest disclosures, strengthening integrity discussions and supervision for key cadres and critical positions. Integrity compliance was also promoted through work meetings and monthly meetings, covering over 7,000 employees.
- Lianfa Group carried out the "Clean and Upright 345 Initiative," organizing integrity discussions and commitment signings for key personnel. A total of 762 integrity commitment letters were signed, covering 539 participants.



● Integrity Awareness Month Activities

● Anti-unfair Competition

We consistently advocate for free and fair competition, strictly adhering to national and regional anti-monopoly and anti-unfair competition regulations. We are committed to maintaining an honest, fair, and open market environment. We establish anti-unfair competition and anti-monopoly compliance requirements for our company and subsidiaries through the Code of Business Conduct, strictly prohibiting the use of illegal or unethical means to obtain information about competitors or partners and the fabrication or dissemination of false information about competitors. The Integrity and Compliance Oversight Task Force is responsible for monitoring and reviewing compliance with the Code of Business Conduct to ensure legal and regulatory compliance in business activities and to prevent and mitigate risks related to unfair competition and monopolistic practices.

In 2024, we did not have any major lawsuits or significant administrative penalties due to unfair competition.

● Complaint Mechanism and Whistleblower Protection

We strictly comply with relevant regulations such as the Rules for Handling Complaints and Accusations by Disciplinary Inspection and Supervision Departments, as well as internal policies including the Code of Business Conduct and the Anti-Corruption and Anti-Bribery Policy. We have established and continuously improved our complaint and reporting mechanism, providing employees, suppliers, customers, and other stakeholders with accessible and convenient internal and external channels for reporting (including mail, telephone, WeChat public platform, mobile client platform, or in-person reporting). We encourage stakeholders to promptly and proactively report any potential violations of business conduct standards, policies, or laws and regulations, working together to foster an honest and transparent business environment.

Stakeholders can lodge complaints or reports anonymously or report with their identity disclosed through the following public channels:



Complaint and reporting email:

compliance@chinacnd.com



Complaint and reporting address:

C&D International Building, 1699 Huandao East Road, Xiamen, China

We highly value the protection of whistleblowers and have explicitly outlined our stance and measures for whistleblower protection in internal policies such as the "Code of Business Conduct" and the "Anti-Corruption and Anti-Bribery Policy," ensuring the legitimate rights and interests of whistleblowers are safeguarded. We allow both anonymous and real-name reporting, strictly implement confidentiality mechanisms to prevent the disclosure of whistleblower information and report details, and prohibit any form of retaliation against whistleblowers. Any individual found disclosing whistleblower information or engaging in retaliatory actions will be subject to strict disciplinary measures and held accountable in accordance with relevant regulations.

● Tax Compliance Management

We strictly adhere to the "Enterprise Income Tax Law of the People's Republic of China" and all applicable tax laws and regulations in the regions where we operate, fulfilling our tax obligations in accordance with the law, ensuring tax compliance and transparency. We have established provisions for tax-related matters in our "Financial Management Regulations," and relevant department personnel are responsible for daily tax-related tasks, such as regular tax declarations. We continuously monitor changes in local tax laws and regulations, promptly adjusting the handling of tax matters as needed. We insist on paying taxes honestly and lawfully to give back to society and have been recognized as one of the top 100 taxpayers in Fujian Province for several consecutive years. In 2024, we paid a total tax amount of 1,596,788 Ten-thousand RMB.

In 2024

We paid a total tax amount of

1,596,788

Ten-thousand RMB



● Tax Risk Management

We incorporate tax risk into our overall risk management process and have established a "pre-risk reduction, in-process response, and post-improvement" full-chain mechanism to effectively manage tax risks. We promote tax policies and regulations in advance to raise the awareness of our subsidiaries and relevant personnel regarding tax risks. We identify potential tax risks in existing and new business operations, and keep a close eye on updates and changes in relevant laws and regulations that may have an impact. Appropriate control measures and responses are taken, and we strengthen risk inspections of our subsidiaries. After inspections, we analyze and summarize the results, implement corrective actions, and actively share experiences. To ensure the effectiveness of tax management in subsidiaries, we have established a tax liaison mechanism to communicate various tax policies and requirements promptly, while subsidiaries report their tax work and inspection status. Additionally, we have implemented an inter-regional platform tax inspection system, where an annual audit team is assigned to audit tax management in subsidiaries and urge corrective actions to ensure tax compliance.

● Tax Compliance Training and Communication

We organize periodic internal and external tax compliance training to strengthen the awareness of tax compliance among relevant tax personnel and enhance their professional tax-related skills. Additionally, we have established a regular communication and interaction mechanism with tax authorities, implementing a centralized management system for tax matters to effectively improve the efficiency of communication between the company and tax authorities.

In 2024, to address changes in the tax environment and assist subsidiary companies in effectively managing and responding to tax risks and handling complex tax matters, we invited external experts to conduct a special training session on "Tax Dispute Resolution and Risk Prevention of False Invoices." The training focused on analyzing and sharing ways to resolve tax disputes, as well as identifying and preventing risks related to false invoicing, aiming to enhance the tax risk response and tax management capabilities of relevant personnel in the company.

Data Overview

Environmental				
Metrics	Unit	2022	2023	2024
Environmental Investment				
Annual total environmental investment	Ten-thousand RMB	2,086	3,789	15,090
Emissions and Discharge				
GHG Emissions				
Scope 1 – Direct GHG emissions	tCO ₂ e	285,727	434,139	504,071
Scope 2 – Indirect GHG emissions from purchased energy		220,443	539,580	984,530
Total GHG emissions (Scope 1+ Scope 2) ¹		506,170	973,719	1,488,601
Emission intensity	tCO ₂ e / hundred-million RMB of operating revenue	61	128	212
Air Pollutants²				
NOx emissions	Ton	44	49	115
SOx emissions		4	8	92
PM emissions			2	8
Wastewater and Related Pollutants³				
Total wastewater discharges	m ³	3,149,769	8,641,873	7,822,311
COD discharge	Ton	347	377	528
Ammonia Nitrogen discharge		3	2	5
Total Nitrogen discharge			49	39
Waste				
Hazardous waste generated ⁴	Ton	/	78	47,887
Transfer and disposal volume of hazardous waste ⁵		23	63	48,059
General Waste Generation		/	180,380	1,257,105
Including: Industrial Waste Generated ⁶		/	130,772	1,132,030
Domestic Waste Generated		/	49,608	32,769
Construction Waste Generated		/	156,998	92,306

Note 1: The increase in the Company's total greenhouse gas emissions in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 2: The increase in the Company's air pollutant emissions in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 3: The increase in the Company's wastewater pollutant emissions in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 4: The increase in the Company's hazardous waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 5: The increase in the Company's hazardous waste transfer and disposal volume in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 6: The increase in the Company's industrial waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Metrics	Unit	2022	2023	2024
Transfer and disposal volume of general waste	Ton	101,949	337,378	982,974
General Waste Recycled		/	113,500	144,806
Industrial Waste Recycled		/	113,500	144,806
Domestic Waste Recycled		/	0	0
Energy Consumption				
Electricity Consumption ⁷	kWh	259,624,703	947,373,073	1,720,332,433
Including: Green electricity consumption	kWh	392,010	10,834,236	18,176,772
Green electricity ratio	%	0.10	1.16	1.06
Coal consumption	Ton	137,412	166,254	181,876
Natural gas consumption	m ³	105,488	39,117,790	52,767,011
Steam consumption ⁸	Ton	5,861	16,889	206,977
Gasoline Consumption ⁹	Litre	914,023	701,654	1,728,416
Diesel consumption ¹⁰		494,618	446,758	2,143,085
Liquefied petroleum gas consumption ¹¹	Kg	1,323,280	6,560	667,938
Water Resources				
Water withdrawal ¹²	m ³	/	11,923,256	14,542,494
Water consumption		/	3,281,383	6,720,183
Water consumption density	m ³ /hundred-million RMB of operating revenue	/	430	958
Circulating water usage	m ³	/	69,500	9,792
Circulating water usage ratio	%	/	0.58	0.07
Green Building				
Newly Added Green Building Area	Count	/	/	388,956
Basic-level green building		/	9	3
One-star green building		/	2	8
Two-star green building		/	1	3
Three-star green building		/	0	0

Note 7: The increase in the Company's electricity consumption in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 8: The increase in the Company's steam consumption in 2024 compared to 2023 was mainly due to the full commissioning of Shandong Jianke Steel Plate Co., Ltd. and the increased steam consumption by Red Star Macalline Group Corporation Ltd. during the reporting period.

Note 9: The increase in the Company's gasoline consumption in 2024 compared to 2023 was mainly due to the business growth during the reporting period.

Note 10: The increase in the Company's diesel consumption in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 11: The increase in the Company's liquefied petroleum gas (LPG) consumption in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period.

Note 12: The increase in the Company's water withdrawal in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 13: The increase in the Company's industrial waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 14: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 15: The increase in the Company's hazardous waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 16: The increase in the Company's construction waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 17: The increase in the Company's domestic waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 18: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 19: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 20: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 21: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 22: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 23: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 24: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 25: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 26: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 27: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 28: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 29: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 30: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 31: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 32: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 33: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 34: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 35: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 36: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

Note 37: The increase in the Company's general waste generation in 2024 compared to 2023 was mainly due to the acquisition of Xiangguang Copper Co., Ltd. during the reporting period, the full commissioning of Shandong Jianke Steel Plate Co., Ltd., and the increased production of Universal Pulp and Paper (Shandong) Co., Ltd.

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Employment				
Metrics	Unit	2022	2023	2024
Total employees	Person	32,847	49,752	47,422
Employee Composition				
Employee Composition by Gender				
Male	Person	20,411	30,837	29,781
Female		12,436	18,915	17,641
Employee Composition by Age				
Under 30	Person	/	14,928	12,942
Between 30-50		/	31,316	30,792
Over 50		/	3,508	3,688
Employee Composition by Education				
Masters degree and above	Person	1,715	2,177	2,225
Bachelors degree		12,295	19,262	18,888
College degree		9,604	13,575	12,560
Other degrees		9,233	14,738	13,749
Employee Composition by Nationality				
China	/	/	/	47,325
Others		/	/	97
Employee Composition by Function				
Management personnel	Person	1,262	1,596	1,587
Technical personnel		7,501	9,282	9,104
Business personnel		22,090	33,404	32,034
Financial personnel		1,078	3,082	2,757
Administrative personnel		916	2,388	1,940
Female management personnel		/	395	372
Female technical personnel		/	1,439	1,155
Female business personnel		/	13,065	12,611
Female financial personnel		/	2,239	2,011
Female administrative personnel		/	1,777	1,492

Metrics	Unit	2022	2023	2024
Management Composition by Gender				
Junior management personnel	Person	/	3,535	4,659
Female junior management personnel		/	1,094	1,473
Proportion of female junior management personnel	%	/	31	32
Management personnel (Mid-level and above)	Person	/	1,517	2,238
Female management personnel (Mid-level and above)		/	349	604
Proportion of female management personnel (Mid-level and above)	%	/	23	27
Including: Senior management personnel	Person	/	8	7
Female senior management personnel		/	2	2
Proportion of female senior management personnel	%	/	25	29
Local senior management personnel	Person	/	6	6
Proportion of local senior management personnel	%	/	75	86
Management Composition by Nationality				
China	Person	/	5,050	2,236
Other		/	2	2
Labor Contract Signing				
Labor Contract Signing Rate	%	100	100	100
Freedom of Association and Collective Bargaining				
Proportion of employees covered by collective agreements	%	/	100	100
Employment of Disabled Individuals				
Number of disabled employees hired	Person	5	26	24
Propotion of disabled employees hired	%	0.01	0.05	0.05
Employee Training				
Total training participants	Participant	/	209,641	531,822
Including: Total training participants in the supply chain operations segment		/	/	174,294
Total training hours	Hour	6,354,357	2,138,972	1,387,623
Including: Total training hours in the supply chain operations segment		/	/	503,884
Total training sessions	Session	/	/	25,048
Including: Total training sessions in the supply chain operations segment		/	/	3,834
Employee Welfare and Benefits				
Total paid parental leave	Day	/	4,787	5,967
Paid family or caregiver leave (non-maternity)		/	/	3,530

Market					
Metrics	Unit	2022	2023	2024	
Technology Research and Development					
Total R&D investment amount in technology	Ten-thousand RMB	19,062	23,651	28,544	
Ratio of R&D investment to revenue from core businesses	%	0.02	0.03	0.04	
Intellectual Property					
Number of new patent applications	Item	/	/	31	
Including: Number of new patent applications in the supply chain operations segment		/	/	0	
Number of new patents granted		181	4	100	
Including: Number of new patents granted in the supply chain operations segment		/	/	1	
Number of new copyright applications		/	/	1	
Including: Number of new copyright applications in the supply chain operations segment		/	/	1	
Number of new copyright registrations		/	19	27	
Including: Number of new copyright registrations in the supply chain operations segment		/	/	9	
Number of new trademark applications		/	/	122	
Including: Number of new trademark applications in the supply chain operations segment		/	/	121	
Number of new trademark registrations		/	90	39	
Including: Number of new trademark registrations in the supply chain operations segment		/	/	23	
Number of new intellectual property rights		/	/	166	
Lawsuits resulting from intellectual property disputes	Case	/	/	0	
Complaint Resolution					
Total number of complaints	Case	22,221	5,476	4,126	
Total number of resolved complaints		22,220	5,476	4,126	
Complaint resolution rate	%	99.99	100	100	
Supplier Management					
Total number of suppliers	Count	41,397	126,728	137,557	
Including: Number of suppliers in the supply chain operations segment		/	/	135,273	
Number of suppliers in Mainland China		/	96,415	104,214	
Including: Number of suppliers in Mainland China in the supply chain operations segment		/	/	101,931	

Metrics	Unit	2022	2023	2024
Number of suppliers in other regions	Count	/	30,313	33,343
Including: Number of suppliers in other regions in the supply chain operations segment		/	/	33,342
Number of new suppliers admitted in the year			12,357	12,047
Including: Number of new suppliers admitted in the supply chain operations segment in the year		/	/	11,664

Occupational Health and Safety				
Metrics	Unit	2022	2023	2024
Work Safety Input				
Total annual input in occupational health and work safety	Ten-thousand RMB	2,388	436	3,602
Safety Training				
Total participants in occupational health and safety training	Participant	69,356	373,368	70,623
Total occupational health and safety training hours	Hour	25,691	77,558	239,271
Proportion of employees who have received safety training	%	58	100	100
Number of safety emergency drills	Time	1,531	16,704	16,452
Number of attendees for safety emergency drills	Participant	5,594	158,370	233,510
Number of offline safety training sessions	Session	961	31,321	16,538
Number of online safety training courses	Course	65	159	239
Work Safety Accident				
Extra-major accident	Case	0	0	0
Major accident		0	0	0
Serious accident		0	0	0
General accident		0	0	0
Number of work stoppages	Time	0	0	0
Duration of work stoppages ¹³	Day	0	0	45
Occupational Health and Safety Performance				
Occupational fatalities ¹⁴	Person	0	0	2

13: Xiangguang Copper, a subsidiary of the company, suspended operations for maintenance and overhaul as part of its production plan.

14: Employee fatalities due to work-related incidents occurred at our subsidiaries, MACALLINE and Xiangguang Copper.

Social Contributions					
Metrics	Unit	2022	2023	2024	
Social Contributions					
Social donations	Ten-thousand RMB	3,612	2,633	4,075	
Total trade volume with countries alongsied the Belt and Road Initiative	Ten-thousand US Dollar	/	1,696,078	1,446,825	
Number of public welfare activities	Time	121	348	286	
Total number of volunteer service participants	Participant	13,092	16,204	4,628	
Including: Total number of volunteer service participants in the supply chain operations segment		/	/	3,192	
Total volunteer service hours	Hour	5,013	9,984	12,307	
Including: Total volunteer service hours in the supply chain operations segment		Hour	/	8,240	
Governance					
Metrics	Unit	2022	2023	2024	
Business Ethics					
Anti-corruption Advocacy and Training (Supply Chain Operations Business)					
Proportion of employees briefed on anti-corruption policies and procedures	%	/	100	100	
Proportion of employees received anti-corruption training		/	100	100	
Business Ethics Violations					
Lawsuits resulting from commercial bribery and corruption	Case	/	/	0	
Conflict of interest incidents		/	/	0	
Money laundering or insider trading incidents		/	/	0	
Lawsuits or administrative penalties resulting from unfair competition incidents		/	/	0	

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Topic	Article	Location
Chapter III Environmental Disclosure		
Climate Change Tackling	Article 21-28	Climate Response
Pollutant Discharge	Article 30	Pollutant Discharge
Waste Disposal	Article 31	Waste Disposal
Ecosystem and Biodiversity Protection	Article 32	Ecosystem and Biodiversity Protection
Environmental Compliance Management	Article 33	Environmental Compliance Management
Energy Usage	Article 35	Energy Usage
Usage of Water Resources	Article 36	Usage of Water Resources
Circular Economy	Article 37	Circular Economy
Chapter IV Social Disclosure		
Rural Revitalization	Article 39	Industrial Revitalization and Rural Development
Contributions to the Society	Article 40	Rooted in Communities, Committed to Cultural Heritage Caring for Children, Lifting Their Dreams Care to Share, Aware through Public Welfare
Innovation-driven	Article 42	Innovation-driven Development
Ethics of Science and Technology	Article 43	Not Applicable
Supply Chain Security	Article 45	Supply Chain Security
Equal Treatment to Small and Medium-sized Enterprises	Article 46	Equal Treatment to Small and Medium-Sized Enterprises
Safety and Quality of Products and Services	Article 47	Safety and Quality of Products and Services
Data Security and Customer Privacy Protection	Article 48	Data Security and Customer Privacy Protection
Employees	Article 50	Employees
Chapter V Corporate Governance Information Related to Sustainable Development Disclosure		
Due Diligence	Article 52	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Supply Chain Security
Communications with Stakeholders	Article 53	Communications with Stakeholders
Anti-Commercial Bribery and Anti-Corruption	Article 55	Anti-Commercial Bribery and Anti-Corruption
Anti-unfair Competition	Article 56	Anti-unfair Competition

SASB Index

SASB Topics	Accounting Metrics	Location
Energy Management in Retail & Distribution	CG-MR-130a.1: (1)Total energy consumed (2)Percentage grid electricity (3)Percentage renewable energy	Energy Usage Data Overview
Data Security	CG-MR-230a.1: Discussion of management approach to identifying and addressing data security risks	Data Security and Customer Privacy Protection
	CG-MR-230a.2: (1)Number of data security breaches (2)Percentage involving customers' personally identifiable information (PII) (3)Number of customers affected	Not available in this report
Fair Labor Practices	CG-MR-310a.1: (1)Average hourly wage (2)Percentage of in-store employees earning minimum wage, by region	Not Applicable
	CG-MR-310a.2: Employee turnover rate for in-store employees (1) Voluntary (2)Involuntary	Not Applicable
	Amount of legal and regulatory fines and settlements associated with labor law violations	Not Applicable
Workforce Diversity & Inclusion	CG-MR-330a.1: Percentage of gender and racial/ethnic group representation for (1)Management (2)All other employees	Human Rights Protection Data Overview
	Amount of legal and regulatory fines and settlements associated with employment discrimination	Not Applicable
Product sourcing, Packaging, and Marketing	CG-MR-410a.1: Revenue from products third-party certified to environmental and/or social sustainability standards	Not Applicable
	CG-MR-410a.2: Description of processes to assess and manage risks and/or hazards associated with chemicals in products	Not Applicable
	CG-MR-410a.3: Description of strategies to reduce the environmental impact of packaging	Circular Economy
	CG-MR-000.A: (1)Number of retail locations (2)Number of distribution centers	Not Applicable
	CG-MR-000.B: Total area of (m ²): (1)Retail space (2)Distribution centers	Not Applicable

Reference of ESG Indicators System for ESG Reports of Listed Chinese Central State-Owned Enterprises

Environmental			
Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.1 Resource Consumption	E.1.1 Water resources	E.1.1.1 Fresh-water consumption	Data Overview
		E.1.1.2 Circulating water usage	Data Overview
		E.1.1.3 The proportion of circulating water usage	Data Overview
		E.1.1.4 Water resource consumption intensity	Data Overview
	E.1.2 Materials	E.1.2.1 Consumption of non-renewable materials	Data Overview
		E.1.2.2 Consumption of toxic and hazardous materials	Not Applicable
		E.1.2.3 Material consumption intensity	Not Applicable
	E.1.3 Energy	E.1.3.1 Fossil energy consumption	GHG Emissions Management Data Overview
		E.1.3.2 Non-fossil energy consumption	GHG Emissions Management Data Overview
		E.1.3.3 The proportion of non-fossil energy consumption	Data Overview
		E.1.3.4 The total energy consumption	GHG Emissions Management Data Overview
	E.1.4 Packaging materials	E.1.3.5 The energy consumption intensity	Data Overview
		E.1.4.1 The amount of packaging materials used	Resource Recycling and Utilization Data Overview
E.2 Pollution Prevention and Control	E.2.1 Wastewater	E.1.4.2 Light-weighting and reduction of packaging materials	Resource Recycling and Utilization
		E.2.1.1 Wastewater discharge compliance	Pollutant Discharge
		E.2.1.2 Wastewater management and emission reduction measures	Pollutant Discharge
		E.2.1.3 Volume of wastewater discharge	Data Overview
		E.2.1.4 Volume of pollutants discharged in wastewater	Data Overview
	E.2.2 Exhaust air	E.2.1.5 Concentration of pollutants discharged in wastewater	Not Applicable
		E.2.2.1 Compliance of exhaust gas emissions	Pollutant Discharge
		E.2.2.2 Volume of air pollutants emitted	Data Overview
		E.2.2.3 Concentration of air pollutants emitted	Not Applicable

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.2 Pollution Prevention and Control	E.2.3 Solid waste	E.2.3.1 Compliance of legal regulations on solid waste disposal	Waste Disposal
		E.2.3.2 Management of general industrial solid waste	Waste Disposal
		E.2.3.3 Disposal volume of general industrial solid waste	Data Overview
		E.2.3.4 Management of hazardous waste	Waste Disposal
		E.2.3.5 Volume of hazardous waste disposed	Data Overview
E.3 Climate Change	E.3.1 GHG emissions	E.3.1.1 Sources and types of GHG emissions	GHG Emissions Management
		E.3.1.2 GHG emissions management	GHG Emissions Management
		E.3.1.3 Scope 1 emission	GHG Emissions Management Data Overview
		E.3.1.4 Scope 2 emission	GHG Emissions Management Data Overview
		E.3.1.5 Scope 3 emission	Not Applicable
		E.3.1.6 GHG emission intensity	GHG Emissions Management Data Overview
	E.3.2 Emission reduction management	E.3.2.1 GHG emission reduction management	GHG Emission Reduction Actions
		E.3.2.2 GHG emission reduction	GHG Emission Reduction Actions
	E.3.3 Environmental rights trading	E.3.3.1 Participation in the carbon emission trading market	Not Applicable
		E.3.3.2 Participation in the energy rights, water rights, and pollution rights trading markets	Not Applicable
		E.3.3.3 Participation in green electricity trading	Not Applicable
	E.3.4 Climate risk management	E.3.4.1 Climate risk management	Climate-Related Risks, Opportunities, and Financial Impacts
E.4 Biodiversity	E.4.1 Impact of production, services, and products on biodiversity	E.4.1.1 Impacts of production, services, and products on biodiversity	Ecosystem and Biodiversity Protection
E.5 Measures for Resource and Environmental Management Systems	E.5.1 Setting low-carbon development goals and strategic measures	E.5.1.1 Setting low-carbon development goals and strategic measures	Climate Strategy
		E.5.2.1 Water resource management	Usage of Water Resources
	E.5.2 Resource management measures	E.5.2.2 Material use management	GHG Emission Reduction Actions Circular Economy
		E.5.2.3 Energy use and energy efficiency management	GHG Emissions Management GHG Emission Reduction Actions Energy Usage
	E.5.3 Monitoring, statistical reporting, and assessment system for energy-saving and carbon reduction	E.5.3.1 Monitoring, statistical reporting, and assessment system for energy-saving and carbon reduction	GHG Emission Reduction Actions Energy Usage

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.5 Measures for Resource and Environmental Management Systems	E.5.4 Green environmental actions and measures	E.5.4.1 Clean production	Pollutant Discharge
		E.5.4.2 Green technology upgrading and recycling	Pollutant Discharge Circular Economy
		E.5.4.3 Green building renovation	GHG Emission Reduction Actions
		E.5.4.4 Green office and operations	GHG Emission Reduction Actions Circular Economy
		E.5.4.5 Green procurement and green supply chain management	Supplier Management
	E.5.5 Measures for Resource and Environmental Management Systems	E.5.4.6 Environmental conservation public activities	GHG Emission Reduction Actions Environmental Compliance Management Ecosystem and Biodiversity Protection
		E.5.5.1 Environmental management system certification	Environmental Compliance Management
		E.5.5.2 Green and low-carbon enterprise certification	Not Applicable
		E.5.5.3 Green and low-carbon product and service certification	GHG Emission Reduction Actions
		E.5.6 Legal compliance in environmental matters	Environmental Compliance Management
		E.5.6.1 Emergency response plan for environmental incidents	Environmental Compliance Management
		E.5.6.2 Environmental violations and non-compliance incidents	Environmental Compliance Management

Social

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
S1 Employee Rights	S1.1 Employee recruitment and employment	S1.1.1 Corporate recruitment policy and implementation	Rooted in Communities, Committed to Cultural Heritage Human Rights Protection Employee Development
		S1.1.2 Employee structure	Human Rights Protection Data Overview
		S1.1.3 Prohibition of child labor and forced labor	Supply Chain Security Human Rights Protection
	S1.2 Employee compensation and benefits	S1.2.1 Compensation philosophy and policy	Human Rights Protection Employee Development
		S1.2.2 Working hours and rest and leave	Supply Chain Security Human Rights Protection Employee Development Occupational Health and Safety Data Overview
		S1.2.3 Compensation and benefits	Employee Development
		S1.2.4 Democratic management of employees	Human Rights Protection

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
S1 Employee Rights	S1.3 Employee health and safety	S1.3.1 Employee occupational health and safety management	Occupational Health and Safety
		S1.3.2 Occupational safety risk management	Occupational Health and Safety
		S1.3.3 Response to safety incidents and work-related injuries	Occupational Health and Safety
		S1.3.4 Employee support and assistance	Occupational Health and Safety Employee Development
	S1.4 Employee development and training	S1.4.1 Employee motivation and promotion policy	Human Rights Protection Employee Development
		S1.4.2 Employee education and training	Supply Chain Security Responsible Marketing Human Rights Protection Employee Development Occupational Health and Safety
		S1.4.3 Employee career planning and job change support	Employee Development
	S1.5 Employee satisfaction	S1.5.1 Employee satisfaction survey	Not available in this report
		S1.5.2 Labor disputes	Not available in this report
		S1.5.3 Employee turnover	Human Rights Protection
S2 Product And Service Management	S2.1 Product safety and quality	S2.1.1 Production standard management policies and measures	Suppliers and Clients Occupational Health and Safety
		S2.1.2 Quality management	Safety and Quality of Products and Services
		S2.1.3 Product recall and withdrawal	Not available in this report
		S2.1.4 Adverse events related to products or services	Social
	S2.2 Customer service and rights	S2.2.1 Customer satisfaction	Safety and Quality of Products and Services
		S2.2.2 Customer complaints and handling	Safety and Quality of Products and Services Data Overview
		S2.2.3 Customer information and privacy protection	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
	S2.3 Innovation development	S2.3.1 R&D and innovation management system	R&D and Innovation
		S2.3.2 R&D investment	R&D and Innovation
		S2.3.3 Innovation achievements	R&D and Innovation
		S2.3.4 Intellectual property protection	Intellectual Property Rights Protection
S3 Supply Chain Safety and Management	S3.1 Supplier management	S3.1.1 Supplier selection and management	Supply Chain Security
		S3.1.2 Number and distribution of suppliers	Data Overview

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
S4 Social Contributions	S3 Supply Chain Safety and Management	S3.2.1 Supply chain management policies and measures	Supply Chain Security
		S3.2.2 Supply chain security assurance and emergency plan	Supply Chain Security
		S3.2.3 Major risks and impacts of supply chain	Supply Chain Security
	S4.1 Tax payment	S4.1.1 Tax payment	2024 Sustainable Development Impact
		S4.2.1 Policies and measures for participating in local community construction	Rural Revitalization and Social Contributions
		S4.2.2 Contribution and impact on the local community	Rural Revitalization and Social Contributions
	S4.2 Community co-building	S4.3.1 Policies and measures for participating in social welfare activities	Caring for Children, Lifting Their Dreams Care to Share, Aware through Public Welfare
		S4.3.2 Investment and effectiveness in participating in social welfare activities	Caring for Children, Lifting Their Dreams Care to Share, Aware through Public Welfare Data Overview
		S4.3.3 Development of barrier-free living environment	Rooted in Communities, Committed to Cultural Heritage Care to Share, Aware through Public Welfare
	S4.3 Social welfare activities	S4.4.1 Industrial transformation	Industrial Revitalization and Rural Development Supporting Industry Development
		S4.4.2 Rural revitalization and regional collaborative development	Industrial Revitalization and Rural Development Rooted in Communities, Committed to Cultural Heritage Data Overview
		S4.4.3 Belt and Road Initiative and overseas responsibility performance	Supporting Industry Development Data Overview
		S4.4.4 Industry-specific features and other social responsibility performance	Suppliers and Clients Industrial Revitalization and Rural Development Data Overview

Governance

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
G1 Governance Strategy and Organizational Structure	G1.1 Governance strategy and processes	G1.1.1 Governance strategy formulation	Governance Structure and Mechanisms
		G1.1.2 Governance strategy supervision process	Governance Structure and Mechanisms
		G1.1.3 Governance strategy approval and review process	Governance Structure and Mechanisms
		G1.1.4 Leadership through Party-building	Not Applicable

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location	Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
G1 Governance Strategy and Organizational Structure	G1.2 Organizational composition and functions	G1.2.1 Ownership responsibilities	Governance Structure and Mechanisms Risk and Compliance Management	G5 Compliant Operation and Risk Management	G5.1 Compliant operation	G5.1.1 Compliant operation system	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption
		G1.2.2 Board of directors, supervisory board, and management organizational structure and functions	Governance Structure and Mechanisms			G5.1.2 Development of the compliance system	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption
		G1.2.3 Appointment procedures and composition of the board of directors, supervisory board, and management	Governance Structure and Mechanisms			G5.1.3 Specific process of compliance review	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption
	G1.3 Compensation management	G1.3.1 Compensation plan for directors and supervisors	Governance Structure and Mechanisms		G5.2 Risk management	G5.2.1 Risk identification and early warning	Risk and Compliance Management
		G1.3.2 Transparency of the board's compensation	Governance Structure and Mechanisms			G5.2.2 Risk control and tracking	Risk and Compliance Management
		G1.3.3 Reasonableness of management compensation	Governance Structure and Mechanisms			G5.2.3 Risk reporting and management	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption Anti-unfair Competition Data Overview
G2 Standardized Governance	G2.1 Internal control	G2.1.1 Internal audit	Risk and Compliance Management				
		G2.1.2 Internal control structure, mechanisms, and processes	Risk and Compliance Management Complaint Mechanism and Whistleblower Protection				
	G2.2 Business integrity	G2.2.1 Integrity construction system standards	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection				
		G2.2.2 Effectiveness of integrity construction measures	Anti-Commercial Bribery and Anti-Corruption				
	G2.3 Fair competition	G2.3.1 Fair competition system standards	Anti-unfair Competition Complaint Mechanism and Whistleblower Protection				
		G2.3.2 Effectiveness of fair competition measures	Anti-unfair Competition				
G3 Investor Relations Management and Shareholder Rights	G3.1 Investor relations management	G3.1.1 Investor relations management strategy	Investor Relations Management				
		G3.1.2 Investor communication	Investor Relations Management				
		G3.1.3 Establishment of the investor relations department	Investor Relations Management				
	G3.2 Shareholder rights	G3.2.1 Shareholders' meetings	Protection of Minority Shareholders' Rights and Interests				
		G3.2.2 Communications with shareholders	Investor Relations Management Communications with Stakeholders				
		G3.2.3 Shareholders' right to information and decision-making participation	Protection of Minority Shareholders' Rights and Interests				
	G3.3 Creditor rights	G3.3.1 Credit evaluation	Not Applicable				
		G3.3.2 Bond market compliance	Not Applicable				
G4 Information Disclosure Transparency	G4.1 Information disclosure system	G4.1.1 Financial information disclosure	Information Disclosure Management				
		G4.1.2 Non-financial information disclosure	Information Disclosure Management				
	G4.2 Quality of information disclosure	G4.2.1 Regular monitoring, auditing, and evaluation of disclosures	Disclosed in 2024 annual report				

ESRS Index

European sustainability reporting standards (ESRS)		Location/omission
ESRS 2 General Disclosures		
BP-1	General basis for the preparation of sustainability statements	About This Report
BP-2	Disclosures in relation to specific circumstances	Not Applicable
GOV-1	The role of the administrative, management and supervisory bodies	Governance Structure and Mechanisms
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance Structure and Mechanisms Risk and Compliance Management
GOV-3	Integration of sustainability-related performance in incentive schemes	Governance Structure and Mechanisms Occupational Health and Safety
GOV-4	Statement on due diligence	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Supply Chain Security
GOV-5	Risk management and internal controls over sustainability reporting	Risk and Compliance Management Climate-Related Risks, Opportunities, and Financial Impacts
SBM-1	Strategy, business model and value chain	About C&D Inc. Climate Strategy Supply Chain Security Safety and Quality of Products and Services
SBM-2	Interests and views of stakeholders	Communications with Stakeholders
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Management of Material Matters Risk and Compliance Management Climate-Related Risks, Opportunities, and Financial Impacts
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Management of Material Matters
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	About This Report Management of Material Matters Appendix
ESRS E1 Climate Change		
E1-1	Transition plan for climate change mitigation	Climate Strategy
E1-2	Policies related to climate change mitigation and adaptation	Climate Strategy
E1-3	Actions and resources in relation to climate change policies	Climate Response Circular Economy
E1-4	Targets related to climate change mitigation and adaptation	Environmental
E1-5	Energy consumption and mix	Energy Usage Data Overview
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	GHG Emissions Management Data Overview
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not Applicable
E1-8	Internal carbon pricing	Not Applicable
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts

European sustainability reporting standards (ESRS)		Location/omission
ESRS E2 Pollution		
E2-1	Policies related to pollution	Pollutant Discharge Waste Disposal Environmental Compliance Management
E2-2	Actions and resources related to pollution	Pollutant Discharge Waste Disposal Environmental Compliance Management
E2-3	Targets related to pollution	Environmental
E2-4	Pollution of air, water and soil	GHG Emissions Management Pollutant Discharge Waste Disposal Data Overview
E2-5	Substances of concern and substances of very high concern	GHG Emissions Management Pollutant Discharge Waste Disposal Data Overview
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Not Applicable
ESRS E3 Water and Marine Resources		
E3-1	Policies related to water and marine resources	Usage of Water Resources
E3-2	Actions and resources related to water and marine resources	Usage of Water Resources
E3-3	Targets related to water and marine resources	Not Applicable
E3-4	Water consumption	Usage of Water Resources Data Overview
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not Applicable
ESRS E4 Biodiversity and Ecosystems		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Not Applicable
E4-2	Policies related to biodiversity and ecosystems	Ecosystem and Biodiversity Protection
E4-3	Actions and resources related to biodiversity and ecosystems	Ecosystem and Biodiversity Protection
E4-4	Targets related to biodiversity and ecosystems	Not Applicable
E4-5	Impact metrics related to biodiversity and ecosystems change	Not Applicable
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not Applicable
ESRS E5 Resource Use and Circular Economy		
E5-1	Policies related to resource use and circular economy	GHG Emission Reduction Actions Energy Usage Usage of Water Resources Circular Economy

European sustainability reporting standards (ESRS)		Location/omission
E5-2	Actions and resources related to resource use and circular economy	GHG Emission Reduction Actions Energy Usage Usage of Water Resources Circular Economy
E5-3	Targets related to resource use and circular economy	Environmental
E5-4	Resource inflows	GHG Emission Reduction Actions Energy Usage Usage of Water Resources Circular Economy
E5-5	Resource outflows	GHG Emission Reduction Actions Energy Usage Usage of Water Resources Circular Economy
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not Applicable
ESRS S1 Own Workforce		
S1-1	Policies related to own workforce	Employees
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Human Rights Protection
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Human Rights Protection
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Employees
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
S1-6	Characteristics of the undertaking's employees	Human Rights Protection Data Overview
S1-7	Characteristics of non-employees in the undertaking's own workforce	Human Rights Protection Data Overview
S1-8	Collective bargaining coverage and social dialogue	Human Rights Protection Data Overview
S1-9	Diversity metrics	Human Rights Protection Data Overview
S1-10	Adequate Wages	Employee Development
S1-11	Social protection	Employee Development
S1-12	Persons with disabilities	Data Overview
S1-13	Training and skills development metrics	Employee Development Data Overview
S1-14	Health and safety metrics	Data Overview
S1-15	Work-life balance metrics	Employee Development Data Overview
S1-16	Remuneration metrics (pay gap and total remuneration)	Not Applicable
S1-17	Incidents, complaints and severe human rights impacts	Human Rights Protection
ESRS S2 Workers in the Value Chain		
S2-1	Policies related to value chain workers	Supply Chain Security
S2-2	Processes for engaging with value chain workers about impacts	Supply Chain Security

European sustainability reporting standards (ESRS)		Location/omission
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Supply Chain Security
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Supply Chain Security
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
ESRS S3 Affected Communities		
S3-1	Policies related to affected communities	Rural Revitalization and Social Contributions
S3-2	Processes for engaging with affected communities about impacts	Rooted in Communities, Committed to Cultural Heritage
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Rooted in Communities, Committed to Cultural Heritage
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Rural Revitalization and Social Contributions
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
ESRS S4 Consumers and End-users		
S4-1	Policies related to consumers and end-users	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
S4-2	Processes for engaging with consumers and end-users about impacts	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
ESRS G1 Business Conduct		
G1-1	Business conduct policies and corporate culture	Business Conduct
G1-2	Management of relationships with suppliers	Supply Chain Security Equal Treatment to Small and Medium-Sized Enterprises
G1-3	Prevention and detection of corruption and bribery	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection
G1-4	Incidents of corruption or bribery	Anti-Commercial Bribery and Anti-Corruption Data Overview
G1-5	Political influence and lobbying activities	Not Applicable
G1-6	Payment practices	Equal Treatment to Small and Medium-Sized Enterprises

ISDS Index

IFRS S1

Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a)The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Governance Structure and Mechanisms Risk and Compliance Management
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities.	Governance Structure and Mechanisms Risk and Compliance Management
Strategy	a)The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects within the time horizons—short, medium or long term.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	b)The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making, and the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information, and trade-offs between sustainability-related risks and opportunities that the entity considered.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	d)The quantitative and qualitative effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the sustainability-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Management of Material Matters
	e)The resilience of the entity's strategy and its business model to those sustainability-related risks	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
Risk Management	a)The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks, whether and how the entity prioritizes sustainability-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
	b)The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities, including: whether and how the entity uses scenario analysis to inform its identification of sustainability-related opportunities.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)The extent to which, and how, the processes the entity uses to identify, assess, prioritize and monitor sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
Metrics and Targets	a)Metrics required by an applicable IFRS Sustainability Disclosure Standard.	Environmental Social Governance
	b)Metrics the entity uses to measure and monitor sustainability-related risks or opportunities and its performance in relation to that sustainability-related risk or opportunity.	Environmental Social Governance
	c)Any targets the entity has set it is required to meet by law or regulation.	Environmental Social Governance

IFRS S2

Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a)The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Governance Structure and Mechanisms Risk and Compliance Management
	b)Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Governance Structure and Mechanisms Risk and Compliance Management
	a)The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects within time horizons—short, medium or long term, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	b)The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain climate-related risks and opportunities are concentrated	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity sets targets, how the entity is resourcing and quantitative and qualitative information about the disclosed progress of plans.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
Strategy	d)The quantitative and qualitative effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Management of Material Matters
	e)The entity's assessment of its climate resilience, including the entity's assessment for its strategy and business model, the significant areas of uncertainty considered in the entity's assessment of its climate resilience and the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term. The entity shall use climate-related scenario analysis to assess its climate resilience and disclose how and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, the key assumptions the entity made in the analysis and the reporting period in which the climate-related scenario analysis was carried out.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	a)The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks, whether and how the entity prioritizes climate-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
	b)The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
Risk Management	a)The cross-industry metric categories of greenhouse gas emissions, internal carbon prices, the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations, capital deployment towards climate-related risks and opportunities, the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities.	GHG Emissions Management
	b)Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry	GHG Emissions Management
	c)The quantitative and qualitative climate-related targets the entity has set or it is required to meet by law or regulation, progress towards reaching the target, information about its performance, and each greenhouse gas emissions target.	Environmental Social Governance

Independent Limited Assurance Report

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Independent Limited Assurance Report

RSMZZ[2025]NO.361Z0287

To the Board of Directors of Xiamen C&D Inc.

We were engaged by Xiamen C&D Inc. ("the Company") to undertake a limited assurance engagement of the key indicators ("the Indicators") for the period from January 1, 2024 to December 31, 2024 included in its 2024 Sustainability Report ("the Report").

Assured Indicators

<ul style="list-style-type: none"> GHG <ul style="list-style-type: none"> Scope 1: Direct GHG emissions (tCO₂e) Scope 2: Indirect GHG emissions from purchased energy (tCO₂e) Total GHG emissions (tCO₂e) Emission intensity (tCO₂e / hundred-million RMB of operating revenue) 	<ul style="list-style-type: none"> Air Pollutants <ul style="list-style-type: none"> NOx emissions (Ton) SOx emissions (Ton) PM emissions (Ton)
<ul style="list-style-type: none"> Wastewater and Related Pollutants <ul style="list-style-type: none"> COD discharge (Ton) Ammonia Nitrogen discharge (Ton) Total Nitrogen discharge (Ton) 	<ul style="list-style-type: none"> Hazardous Waste <ul style="list-style-type: none"> Transfer and disposal volume of hazardous waste (Ton)
<ul style="list-style-type: none"> Energy Consumption <ul style="list-style-type: none"> Electricity Consumption (kWh) Green electricity consumption (kWh) 	<ul style="list-style-type: none"> Water Resources <ul style="list-style-type: none"> Water withdrawal (m³)

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<ul style="list-style-type: none"> Green electricity ratio (%) Coal consumption (Ton) Natural gas consumption (m³) Steam consumption (Ton) Gasoline Consumption (Litre) Diesel consumption (Litre) Liquefied petroleum gas consumption (Kg) 	
<ul style="list-style-type: none"> Total employees (Person) 	<ul style="list-style-type: none"> Employee Composition by Gender
<ul style="list-style-type: none"> Total employees (Person) 	<ul style="list-style-type: none"> Male (Person) Female (Person)
<ul style="list-style-type: none"> Employee Composition by Age 	<ul style="list-style-type: none"> Employee Composition by Education
<ul style="list-style-type: none"> Under 30 (Person) Between 30-50 (Person) Over 50 (Person) 	<ul style="list-style-type: none"> Master degree and above (Person) Bachelor degree (Person) College degree (Person) Other degrees (Person)
<ul style="list-style-type: none"> Management Composition by Function 	<ul style="list-style-type: none"> Management Composition by Gender
<ul style="list-style-type: none"> Management personnel (Person) Technical personnel (Person) Business personnel (Person) Financial personnel (Person) Administrative personnel (Person) 	<ul style="list-style-type: none"> Management personnel (Person) Male management personnel (Person) Female management personnel (Person) Proportion of female management personnel (%)
<ul style="list-style-type: none"> Parental Leave 	<ul style="list-style-type: none"> Employment of Disabled Individuals
<ul style="list-style-type: none"> Total paid parental leave (Day) 	<ul style="list-style-type: none"> Number of disabled employees hired (Person) Proportion of disabled employees hired (%)
<ul style="list-style-type: none"> Employee Training (Supply Chain Operations Business) 	<ul style="list-style-type: none"> Occupational Health
<ul style="list-style-type: none"> Total training participants 	<ul style="list-style-type: none"> Occupational fatalities (Person) Occupational fatality rate (%)

(Participant)	
— Total training hours (Hour)	
— Total number of training sessions (Session)	
● Work Safety Accident	<ul style="list-style-type: none"> ● Non-affiliated suppliers (by Geographical Distribution) (Supply Chain Operations Business) — Number of suppliers in Mainland China (Count) — Number of suppliers in other regions (Count)
● Intellectual Property (Supply Chain Business)	<ul style="list-style-type: none"> ● Volunteer Service (Supply Chain Operations Business) — Total number of volunteer service participants (Participant) — Total volunteer service hours (Hour)

The Company's Responsibility

The Company was responsible for selecting the criteria, and preparing and fairly presenting information presented in the Report in accordance with that criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

RSM's Responsibility

We are responsible for performing a limited assurance engagement on the Indicators in accordance with *International Standard on Sustainability Assurance 5000* -

General Requirements for Sustainability Assurance Engagements (ISSA 5000), and issuing a limited assurance conclusion.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Control

We have complied with *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA) regarding sustainability assurance engagements. We have maintained independence and fulfilled all other professional ethics requirements. In conducting this engagement, we have adhered to the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In accordance with *International Standard on Quality Control*, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures Performed

In accordance with the requirements of ISSA 5000 and applying professional judgment, we performed the following procedures:

i. Risk Assessment

- Conducted interviews with the Company's management, sustainability reporting team, and relevant data governance departments to gain an understanding of the reporting preparation process.
- Evaluated the applicability of relevant criteria to the Company's operations.
- Identified and assessed risks of material misstatement in the Indicators.
- Gained an understanding of the Company's internal control systems for collecting, reporting, and monitoring sustainability information.

ii. Data Verification

- Evaluated the design of key structures, systems, processes, and controls established by the Company for compiling the Indicators.
- Performed sample testing on data collection and reporting processes for the Indicators.
- Recalculated the Indicators and reconciled them with reported disclosures.
- Conducted sample testing to verify the consistency between source data and system records.
- Performed analytical procedures on significant fluctuations to assess their reasonableness.

iii. Disclosure Compliance Evaluation

- Evaluated whether the Indicators complies with requirements of applicable criteria.
- Assessed consistency between qualitative statements and quantitative data in the report.
- Examined whether the presentation of the Indicators contains potentially misleading expressions.

iv. Other procedures

Other procedures we deemed necessary.

Limited Assurance Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria described in the Report.

Inherent Limitation

Due to the selective nature of testing and sampling techniques, as well as the inherent limitations of internal controls, misstatements, fraud, or non-compliance may occur and not be detected.

Furthermore, we draw users' attention to the fact that, there is currently no globally accepted framework for evaluation and measurement. This may result in inconsistent measurement methodologies, potentially affecting the comparability of information across different entities.

Comparative Information**i. Assurance Status of Comparative Information**

The comparative information for 2023 included in the Report has undergone limited assurance procedures by our firm, and we issued an unqualified limited assurance conclusion in our report dated April 12, 2024. This assurance engagement was conducted in accordance with *International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000).

ii. Explanation of Changes in Historical Year Assurance Scope

Indicator	2023 Assurance Scope	2024 Assurance Scope	Reason for Change
Scope 3 GHG emissions: Indirect carbon emissions from leased assets in home furnishing business	Included	Excluded	Optimization of assurance resources ¹
Percentage of employees covered by anti-corruption policies and related procedural documents	Included	Excluded	Changes in data availability ²
Percentage of employees receiving anti-corruption training	Included	Excluded	Changes in data availability ³
Total number of training sessions in supply chain operations business	Not included	Newly added	Improved data availability
Occupational fatality rate	Not included	Newly added	Improved data availability
Number of new patent applications	Not included	Newly added	Improved data availability
Number of new patents granted	Not included	Newly added	Improved data availability
Number of new copyright applications	Not included	Newly added	Improved data availability

Indicator	2023 Assurance Scope	2024 Assurance Scope	Reason for Change
Number of new trademark applications	Not included	Newly added	Improved data availability

Note 1: This indicator represents a relatively small proportion of the Company's total Scope 3 greenhouse gas emissions and has low influence on users' decision-making.

Note 2: The Company completed the acquisition of Xiangguang Copper Co., Ltd. in June 2024, resulting in incomplete historical data availability. Based on the principle of prudence, this indicator has been temporarily excluded from the current year's assurance scope.

Note 3: The Company completed the acquisition of Xiangguang Copper Co., Ltd. in June 2024, resulting in incomplete historical data availability. Based on the principle of prudence, this indicator has been temporarily excluded from the current year's assurance scope.

The above adjustments do not affect the limited assurance conclusion on the Report.

Impact of Reporting Boundary Changes on Comparative Information

During the 2024 reporting period, the Company completed the acquisition of Xiangguang Copper Co., Ltd. (finalized in June 2024), resulting in an expansion of the reporting boundary.

Limitation of Use

This report is intended solely for the Company's use in preparing its 2024 Sustainability Report in accordance with applicable criteria, and shall not be used for any other purposes. We accept no liability to any third party other than the intended users.

【This page serves as the officially stamped page of the Independent Limited Assurance Report (RSMZZ[2025]NO.361Z0287).】

