

TOGETHER GO BEYOND 2023 Sustainability Report

XIAMEN C&D CORPORATION LIMITED

☎ Tel: 86-592-2263333

✉ Email: info@chinacdc.com

📍 Address: C&D International Building, No1699,
Island Ring East Boulevard, Xiamen, China

// Preface

2023 represents a critical year for C&D Group, with the rollout of its five-year strategic development plan, bridging the gap between past achievements and future growth. In the face of the complex and ever-changing domestic and international situation, we actively implement the new development concept, solidly promote the value creation action of benchmarking first-class enterprises, integrate the concept of sustainable development into the Group's strategic development and operation management, take the initiative to take responsibility, strive for quality while advancing, help economic growth, social progress and environmental improvement, and strive to create value for all stakeholders, continuing to implement the corporate mission of "creating new value and enabling more people to attain a better quality life".

Based on the new development stage, we anchor the goal of high-quality development, adhere to the development strategy of "professional" operation and "going global", focus on the two strategic directions of "serving the real economy and serving the people's livelihood", continue to build the core competitiveness and sustainable development capabilities of modern state-owned enterprises, and strive to become a world-class enterprise with shareholder trust, customer satisfaction, employee enthusiasm, social respect, vitality and positive energy.



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About C&D Group

Company Overview

Xiamen C&D Corp., Ltd. founded in 1980, is a state-owned capital investment company in Xiamen. After years of market experience, the Group has developed from the window for attracting investment in Xiamen Special Economic Zone in the early days to a large enterprise group with two development strategic directions of "serving the real economy and serving the people's livelihood". Its business covers supply chain operation, municipal construction and operation, hospitality & expos, medical and health and emerging industry investment.

Honorary Awards

2023 Fortune Global 500

No. 69

2023 Top 500 Chinese Enterprises

No. 21

2023 Top 500 Chinese Service Enterprises

No. 11

Top 100 Fujian Enterprises in 2023

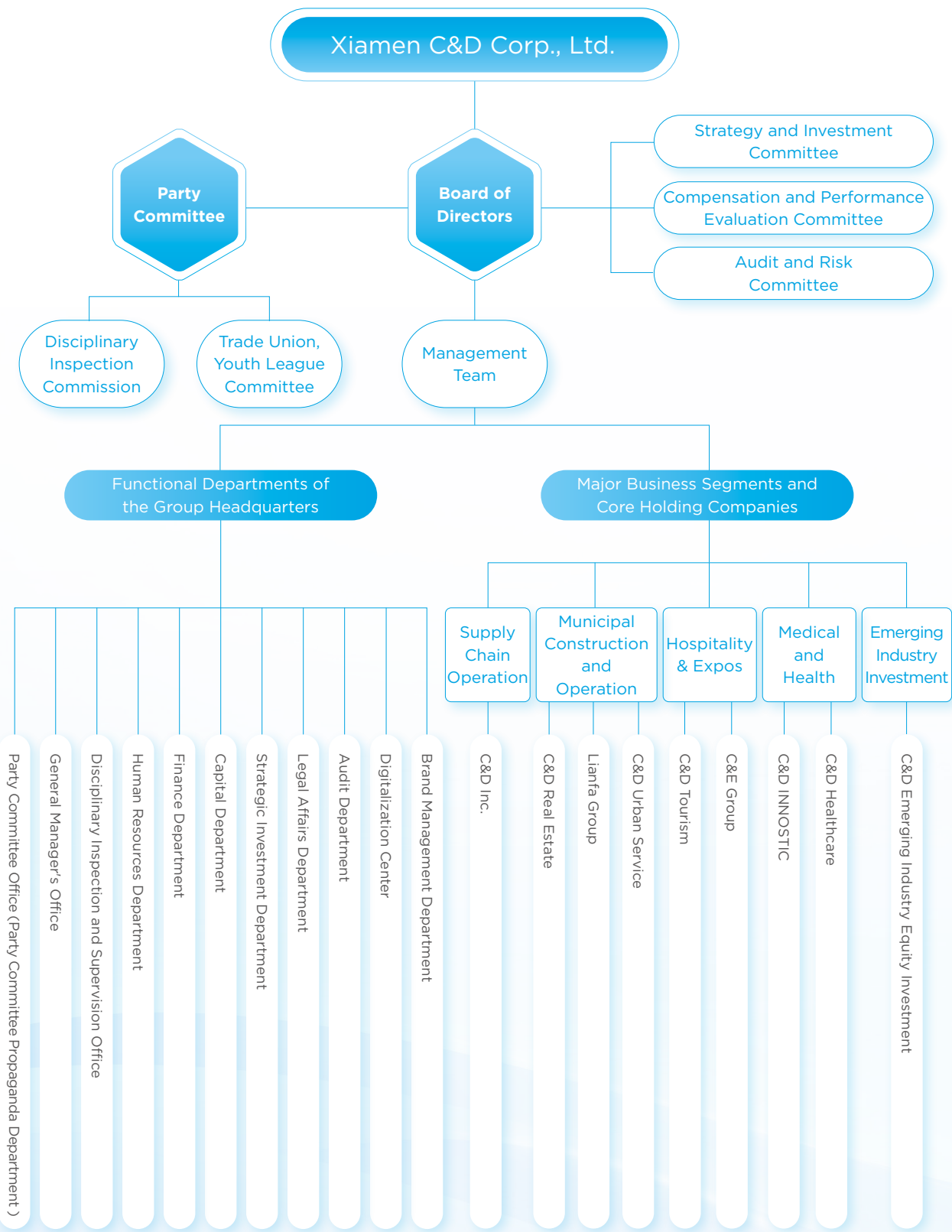
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2023 Key State-owned Enterprise Management Benchmark Construction Action

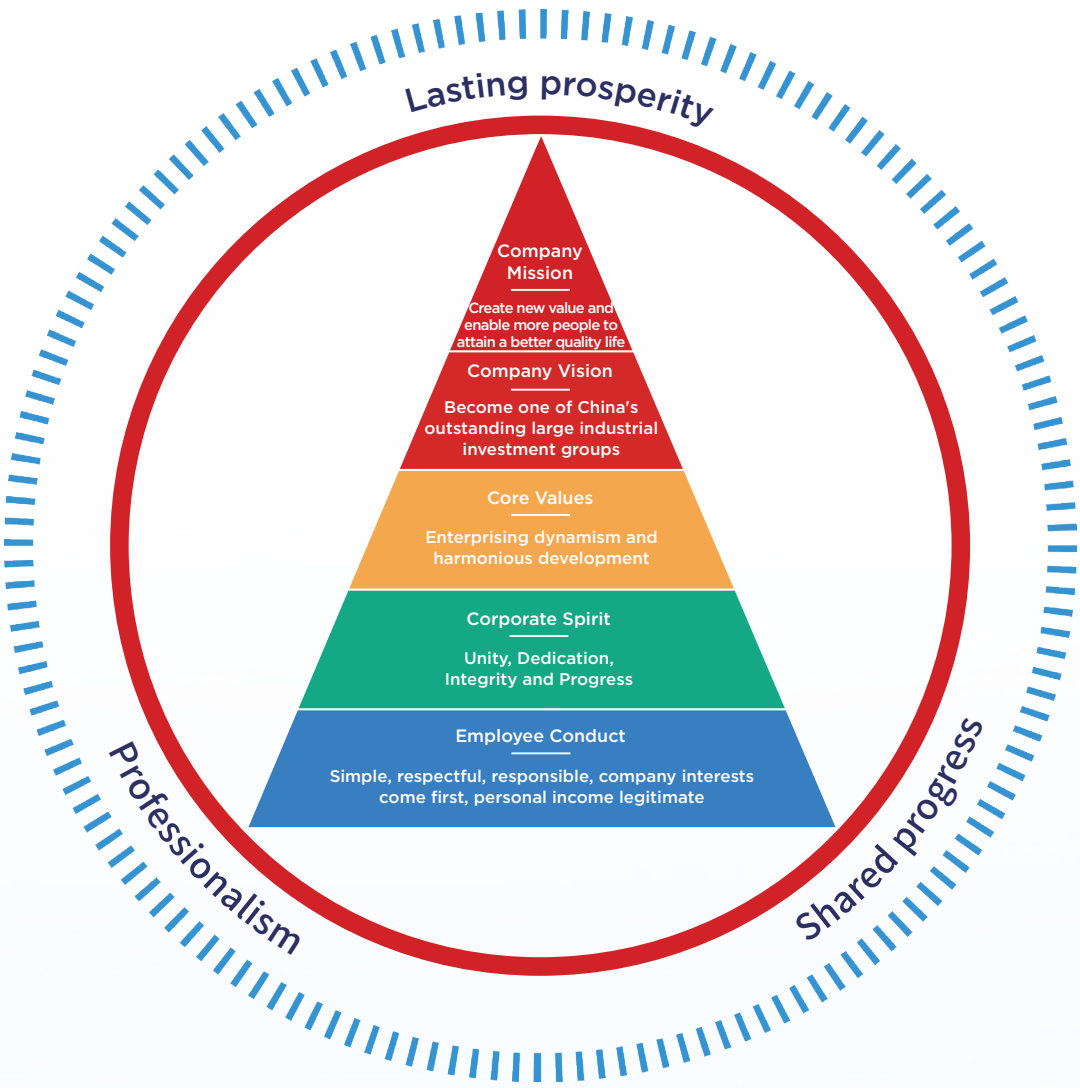
Benchmarking Enterprise



Organizational Structure



Corporate Culture and Brand Concept



Main Business

The Group’s main business covers five major areas: supply chain operation, municipal construction and operation, hospitality and expos, medical and health care, and emerging industry investment.

Supply Chain Operations

Professionalism Enhances Value through Shared Resources

The Group is committed to providing customers with a customized combination of service elements such as "logistics", "information", "finance" and "trading", covering the upstream and downstream of the industrial chain through "LIFT Supply Chain Service" solution. We are one of the first national model enterprises for supply chain innovation and applications. At present, we mainly focus on steel, pulp and paper, automobiles, agricultural products, consumer goods, minerals, energy and chemicals, emerging industries and other industries. We have established business contacts with more than 170 countries and regions around the world, and established more than 30 overseas platform companies and offices around the world.



Municipal Construction and Operation

Professionalism Builds Quality & Beautiful Cities

Mainly engaged in municipal construction and renewal, municipal public services, residential and public building property management, municipal commercial operations, municipal planning services, etc., promoting the integration of "industry, city and people" and serving municipal development, with a business layout in more than 70 cities. Affiliated C&D Real Estate and Lianfa Group rank 8th and 23rd among the top 100 real estate companies in China.



Hospitality & Expos

Professionalism Achieves Delight through Thoughtful Services

Adhere to professional and branded operation and management services, and create a high-end business travel experience and business opportunities platform. The Group’s affiliated C&D Tourism ranks among the TOP60 in the 2023 China Hotel Group Scale List. It owns two private brands, "Yuehua" and "Yiho", operates and manages 25 hotels, and has more than 6,500 guest rooms; C&E Group is one of the ten most influential exhibition companies in China. It focuses on the operation of the entire exhibition industry chain integrating venue operation and management, exhibition event holding, and exhibition extension services. The total area of venues currently operated and managed exceeds 800 thousand m².



Medical and Health

Professionalism Ensures Wellness through Full Cycle Care



Specializing in industrial investment and operation in the medical and health field. Our affiliated INNOSTIC is ranked among the "TOP50 Key Medical Device Business Enterprises in China in 2023", providing integrated medical device supply chain services to more than 3,000 medical institutions across the country. C&D Healthcare has three business segments: medical, health and industrial services, and operates and manages nearly 2,000 hospital beds.

Emerging Industry Investment

Professionalism Fuels Growth by Merging Industry with Finance



Focusing on industrial investment opportunities in new economic fields such as medical and health care, advanced manufacturing, and innovative consumption, the Group is committed to becoming an outstanding equity asset management institution for emerging industries in China. C&D Emerging Industry Equity Investment has been ranked among the "top 30 China VC/PE Institutional Limited Partners" for many consecutive years, with a current capital management scale of nearly RMB 25 billion.

Annual Focus

Sustainability Highlights

Economy

Total assets exceeded

RMB 800 billion

Revenue exceeds

RMB 780 billion

Total profit

RMB 21.8 billion

Taxes paid

RMB 37.8 billion

Return on equity

11.38 %

Overall labor productivity

RMB 899,800 /person

Society

Provide jobs

84,711

Proportion of female employees

40 %

Patent, trademark and copyright

3,710

R&D investment approximately

RMB 300 billion

Proportion of female managers

36 %

Investment in safety production approximately

RMB 40 billion

Employee training sessions

9,263 sessions

Expenditure on donations

RMB 27.98 billion

Environment

Total greenhouse gas emissions

1,090,160.15 tons of carbon dioxide equivalent

Greenhouse Gas Emissions intensity

139.16 tons of carbon dioxide equivalent/RMB 100 million of revenue

Total energy consumption

312,839.88 tons of standard coal

Energy Consumption intensity

39.93 tons of standard coal/RMB 100 million of revenue

Investment in environmental protection is approximately

RMB 38 million

Major environmental pollution accident

0

Sustainability Honor

C&D Inc.

2023 Top 100 Chinese Listed Companies in ESG

Securities Times

C&D Inc.

The 5th New Fortune "Best ESG Practice Award"

New Fortune, Guanghua-Rotman Center

C&D Inc.

Guoxin Cup · ESG Golden Bull Awards Top 100

China Securities Journal, China Reform Holdings Corporation Ltd., People's Government of Nantong Municipality

C&D Inc.

The 7th China IR Annual Awards "Best ESG Awards "

Roadshow China, IRSC

C&D Inc.

2022 Wind ESG Industry Best Practice Award

Wind

C&D Real Estate

C&D International 2023 China Real Estate ESG Competition Ranked 9th in the "TOP100 Developed Brands"

Phoenix News ESG Index Channel

C&D Real Estate

C&D Property Management 2023 China Real Estate ESG Competition Ranked 9th in the "TOP30 Property Management Brands"

PhoenixNews ESG Index Channel

C&D Real Estate

C&D Commercial Management 2023 China Real Estate ESG Competition Ranked 5th in the "TOP20 Agent Construction Brands"

PhoenixNews ESG Index Channel

Annual Sustainability Management Practice

In 2023, under the guidance of carrying out value creation actions against world-class enterprises, the Group launched the construction of a sustainable development management system, improve the top-level design of sustainable development, systematically promote and implement sustainable development-related work, and help improve the modernization level of corporate governance.

Governance as the outline

Improve top-level design

- Starting from the four modules of "goal, principle, practice and foundation", the sustainable development model is refined and formed, and the sustainable development concept and corporate strategy are organically integrated to lead the sustainable development of the Group.
- Establishing a three-tier sustainability governance framework consisting of the Board of Directors, Sustainability Leadership Group (with Sustainability Working Group) and affiliated industry groups to enhance integrated management.
- Formulate the "Measures for the Management of Sustainable Development of Xiamen C&D Group Co., Ltd." to ensure that the Group's sustainable development management is evidence-based, standardized and efficient.

Benchmarking to find gaps

Plan the path of improvement

- Through systematic research, benchmarking advanced peers and other means, the direction of sustainability management improvement is formed in the process of "finding gaps and making up for weaknesses", which provides experience reference and path reference for the Group's sustainability management improvement.
- Referring to mainstream standards and combining with the actual operation and management of the company, we build a sustainable development management indicator system covering the three major areas of environment, society and governance., and gradually promote the systematization and normalization of sustainable development management.

Promote management by disclosure

Deepen the practice of fulfilling responsibilities

- Grasping the main line of "promoting management through disclosure", the Group released the annual sustainability report, and improved the normalized sustainability disclosure channels.
- Focusing on the brand concept of "Professionalism, shared progress and lasting prosperity", we carry out responsible brand building and dissemination, and advocate the common concern of the public to build a sustainable and beautiful future.

Annual Sustainability Performance

Definitions

SDGs responses

Responses to Issues

2023 Annual KPI

Serving the Overall Development

According to the functional positioning given by the Xiamen Municipal Committee of the CPC and People's Government of Xiamen Municipality, C&D Group has always kept pace with the times, focusing on its main business, integrating into and serving the overall national and local development. Simultaneously, it continuously promotes its own transformation and innovative development, enhancing its core competitiveness and strengthening core functions, and effectively harnessing the positive role of the state-owned enterprises in optimizing the industry structure, facilitating circulation and ensuring stable growth.



- Serving regional economic development
- Expanding international market

- Accelerate the development of international layout and operation. The supply chain operation segment achieved a total import, export and international business of USD **43.8** billion, a year-on-year growth rate of **8.38%**.
- Improve and optimize municipal service functions, create a livable municipal environment, and enhance the image of the city. During the year, more than **110** medical, educational and people's livelihood projects were promoted.
- Stimulate consumption potential and help high-quality economic development. The Group received more than **1.12** million commercial tourists and attracted more than **1.7** million exhibitors and professional visitors.
- Cooperated with the national Social Security Fund to initiate the establishment of a special fund to support China's strategic emerging industries and helped the high-quality development of the real economy.

Focusing on Customer Satisfaction

In the context of industry innovation and transformation, C&D Group and its affiliated industry groups, in the context of rapid innovation and transformation in the industry, continuously observe and study changes and trends in customer needs, promote research and development innovation, and upgrade digital intelligence. We focus on improving product and service. At the same time, C&D Group attaches great importance to protecting customer rights and interests, focuses on improving customer satisfaction, and strives to provide customers with a better brand experience.



- Product and service innovation
- Responsible marketing
- Customer satisfaction

- Pay attention to innovative research and development and promote product and service upgrades. In 2023, research and development investment was approximately RMB **300** million, a year-on-year increase of **50%**.
- Optimize customer service processes and service details, and strive to improve customer satisfaction. The customer satisfaction of C&D Real Estate ranks first in the industry.

Collaborating with Partners for Mutual Success

Taking "win-win cooperation" as the starting point, C&D Group continues to seize opportunities to promote innovation in cooperation and exchanges, continuously deepen resource sharing and two-way empowerment with various partners, and jointly build a shared win-win ecosystem to complement each other's advantages and achieve common development.



- Supplier management
- Sustainable supply chain
- Responsible investment

- Continue to deepen friendly and cooperative relations with local governments, banking institutions and domestic and foreign enterprises.
- Strengthen supplier management and promote suppliers to conduct business in a manner that is environmentally friendly, socially responsible and ethically compliant.
- Practice responsible investment and promote sustainable development in new economic sectors such as healthcare, advanced manufacturing, and TMT/consumption.

Inspiring Employee Growth

C&D Group embraces an equal, open and inclusive approach to attract outstanding talents. We continuously optimize and upgrade training mechanisms, development, career advancement, and welfare security for employees. Through a long-term and systematic mindset, we positively motivate our employees, fostering a symbiotic relationship and jointly creating value.



- Valuing talent recruitment
- Employee training and development
- Caring for employees

- Build diversified recruitment channels, recruit outstanding talents through social recruitment, campus recruitment, school-enterprise cooperation, etc., and provided more than **84** thousand jobs in 2023. Pay attention to the quality and ability cultivation of reserve cadres, and completed the first batch of two-year training programs for reserve cadres during the year.
- Launch the Employee Assistance Program (EAP) to provide free psychological counseling and other services for employees and their families.

Co-building a Green Future

C&D Group attaches great importance to ecological civilization construction and environmental protection. Adhering to the concept of sustainability, the company integrates green and low-carbon development into its corporate strategy, actively promotes green industries, and deeply practices green operations, thus contributing to the harmonious coexistence of humans and nature in modernization construction.



- Efficient resource recycling
- Promoting energy conservation and emission reduction
- Protecting the ecological environment
- Green building
- Development of green products and clean technologies

- Expand the layout of green industries, invest in green products and technologies, and develop circular economy.
- Build green buildings. **11** new green building certification projects were added in 2023.
- Explore green exhibitions. Introduced green environmental protection-related exhibitions and conferences, with a total exhibition area of **205** thousand square meters.
- Approximately RMB **38** million was invested in environmental protection in 2023

Supporting Social Welfare

C&D Group is committed to maximizing the comprehensive value of the economy, society, and environment. In the name of love and gratitude to society, we demonstrate our corporate responsibility through practical actions and contribute to creating a more beautiful and harmonious society.

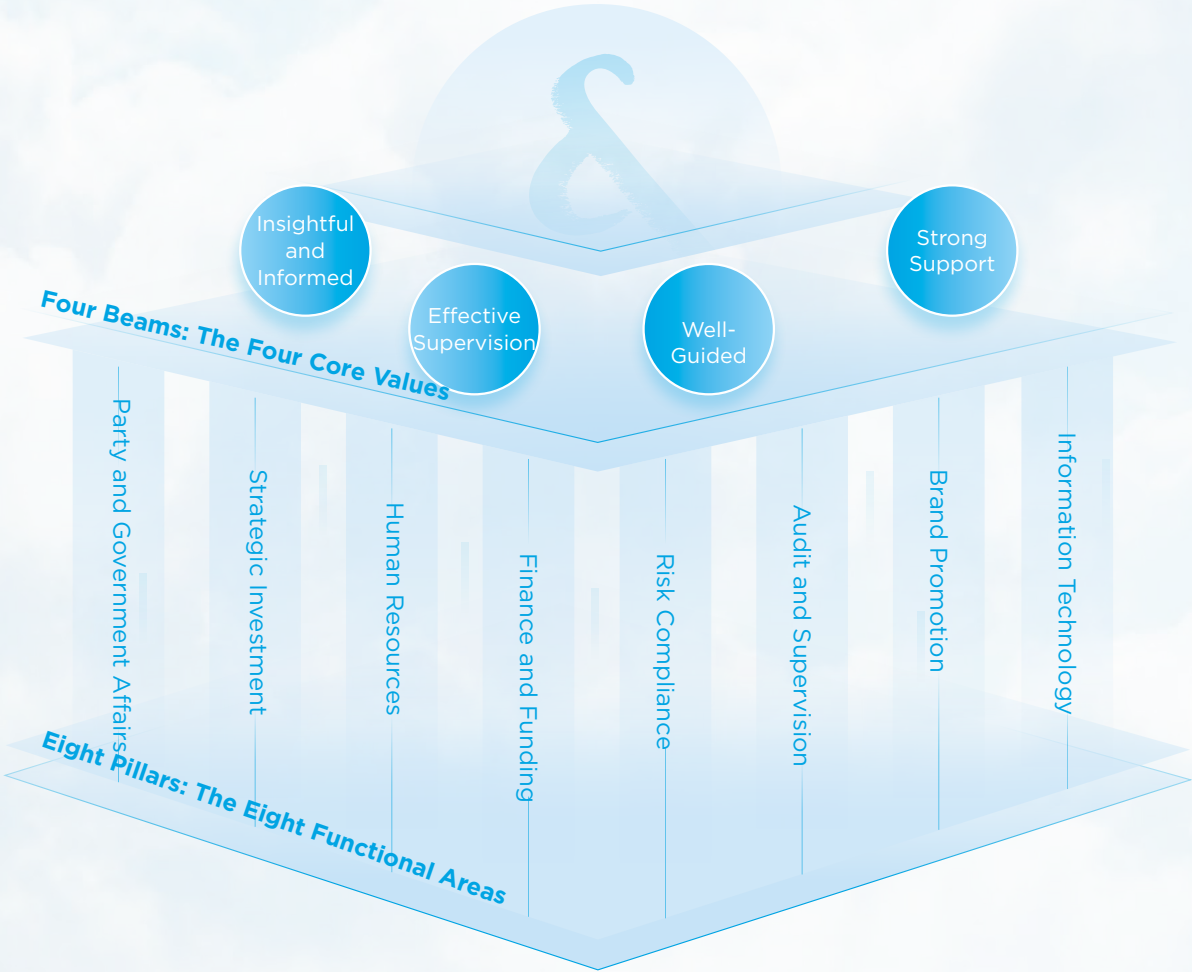


- Supporting rural revitalization
- Supporting social welfare

- Help build healthy China, actively carry out cardiopulmonary resuscitation and AED training, community clinic, health science popularization and other volunteer service projects.
- Focus on industrial assistance and add impetus to the cooperation between the east and the west. Baixing (Ningxia) Household Goods Co., Ltd. a newly established wholly-owned subsidiary in Minning Town, was officially put into production.
- Implement industrial aid to Tibet and promote the landing of walnut oil project in Zuogong County.
- Continue to carry out industrial assistance, consumption assistance and care assistance for designated villages.

Annual Topic — Digital Intelligence Transformation Leads the Future and Gains Momentum to Core Competitiveness

At present, digital intelligence has become a strong support for enterprise transformation and upgrading. Under the overall guidance of strategic planning, the Group actively plans and promotes the top-level design of digital intelligence transformation with four core values and eight functional areas as its connotation, formulates a strategic blueprint for digital intelligence transformation, continues to enrich digital intelligence application scenarios, and deeply explores the huge potential of digital intelligence technology, and supports the construction of long-term organizational capabilities with digital intelligence, helping to build core competitiveness and promote high-quality development.



In order to improve corporate innovation capabilities and operational efficiency, the Group has increased its efforts to promote the construction of digital and intelligent transformation management systems, to promote digital and intelligent upgrades of production and operations, to promote innovative applications of digital and intelligent technologies, and to continuously activate the potential of data elements in order to help the headquarters build value and Digital intelligence empowerment of industry groups.

Construction of digital and intelligent transformation management system

Deepen the system construction of digital and intelligent transformation, and promote the close integration of digital and intelligent transformation with key tasks such as the company's strategic management, operation management, and cadre capability improvement from a mechanism perspective.

Add a digital center data department to accelerate data asset management and data resource development from the organizational mechanism.

Organize training and exchanges related to digital and intelligent transformation activities for middle and senior-level cadres across the Group , and invite digital and intelligent transformation experts to to share their experiences, with a view to enhancing the awareness and capabilities of digital and intelligent transformation among middle and senior-level cadres.

Digital and intelligent upgrade of production and operation

- **C&D Inc.** further promoted the construction and operation of online business platforms such as " C&D Cloud Steel", " Zhiyuan Network", " "Jiangyi Tong " and "Agricultural E-point", and promoted the transformation and upgrading of traditional industries. The total transaction amount for the year exceeded RMB 150 billion. Among them, the "C&D Cloud Steel " platform helps steel mills adjust their production plans in real time by connecting with the system data of multiple steel mills, and flexibly allocates upstream raw material procurement and downstream shipment specifications and quantities to help the industrial chain achieve accurate procurement and production planning; The " Zhiyuan Network" and " Jiangyi Tong " platforms cooperate with Tencent to build an Internet ecosystem for the pulp and paper industry, and define various ecological roles from a strategic perspective. Including pilot (C&D Pulp and Paper), escort (Tencent), escort (logistics service partner), battery life (financial service partner) and navigation aid (government, industry associations, universities and research consulting institutions), etc., to achieve synergy, to integrate value-added, and contribute to consolidating the digital and intelligent infrastructure of my country's pulp and paper industry Internet system.

C&D Inc. has also improved the quality and efficiency of supervision of various types of risks through digital means, and created an "E-phase" futures management platform and a real-time shipping monitoring system. These system platforms not only improve the timeliness of risk supervision, but also improve supervision efficiency and effectiveness.



“C&D Cloud Steel” steel industry chain collaboration platform

At the 6th Digital China Summit held in 2023, the State-owned Assets Supervision and Administration Commission of the State Council announced the list of winners of the first State-owned Enterprise Digital Scenario Innovation Professional Competition. The “C&D Cloud Steel” platform of C&D Inc.’s Steel Group won the second prize for its digital application scenarios.

- **C&D Automobile** has launched the digital and intelligent transformation of traditional automobile dealers, created a “domain construction” customer digital and intelligent platform, improved customer service experience, and provided online and offline integrated services to nearly 300,000 high-end automobile customers.
- **C&D Urban Services** draws a “map” of digital and intelligent management and maintenance in urban public facilities management and maintenance services, dynamically presenting the basic information and geographical information of the assets, dynamically updating management and maintenance information, and linking event management, evaluation, negative list registration and other functions to achieve precise positioning and rapid processing, and to fully improve the efficiency and effectiveness of management and maintenance work.
- **C&D Healthcare** comprehensively applies new technologies such as big data and artificial intelligence, strengthens the monitoring and control of illegal use of medical insurance, the management of medical insurance disease expenses, etc., and cooperates with Xiamen Medical Insurance Center to realize a series of services such as full-process coverage of medical insurance electronic certificates, mobile settlement of outpatient and emergency/hospitalization expenses and online collection and refund, which greatly improves patients’ medical experience.
- **C&D INNOSTIC** independently developed the “Medical Supply, processing, and distribution (SPD) Management System”, which integrates functions such as supplier management, supplier qualification management, product management, product qualification management and supply relationship management. The system realizes the qualification verification and control of the whole process of medical device circulation.

Innovative application of digital intelligence technology

- **C&D Real Estate** C&D Zhaohui Internet Technology Limited independently designs and builds a smart project management platform, using artificial intelligence, Internet of Things, big data and other technologies, and through the combination of Internet of Things and Internet, it realizes the unified management and operation of multi-party systems and data in project construction, so as to improve the efficiency and convenience of project management and to promote refined and intelligent management.

The platform helps government departments reduce regulatory costs and improve regulatory efficiency, help construction enterprises grasp the construction progress in real time, schedule resources reasonably, and save management costs, and help the construction unit reduce the probability of potential safety hazard accidents and ensure the progress and quality of the project. At the same time, C&D Zhaohui Internet Technology Limited also continues to promote the application of smart equipment such as measuring robots and construction robots in construction sites, as well as the application of various robots such as cleaning, distribution and garbage recycling in property service communities, empowering smart construction and smart property development with technology.

Activate the potential of data elements

Based on data application scenarios, the Group carried out data asset sorting and data governance in supply chain and other fields, and continuously expanded data applications to deeply explore the value of data.

- **C&D Inc.** introduces external industrial and commercial, credit reporting, financial and other data, and combines them with internal data, relying on data mining, machine learning and other technologies to build a risk control decision-making model for supply chain transactions, so as to realize intelligent risk control in the transaction process.
- Relying on the integrated application of information technology platform and various data, **C&D Healthcare** proposes a new model of “active service for the whole process of medical treatment”, and provides patients with active guidance services that are closely integrated online and offline with data-driven data, so that patients can complete each medical link more smoothly, have shorter non-medical waiting time during the medical treatment process, and have better medical service experiences.

Corporate Governance

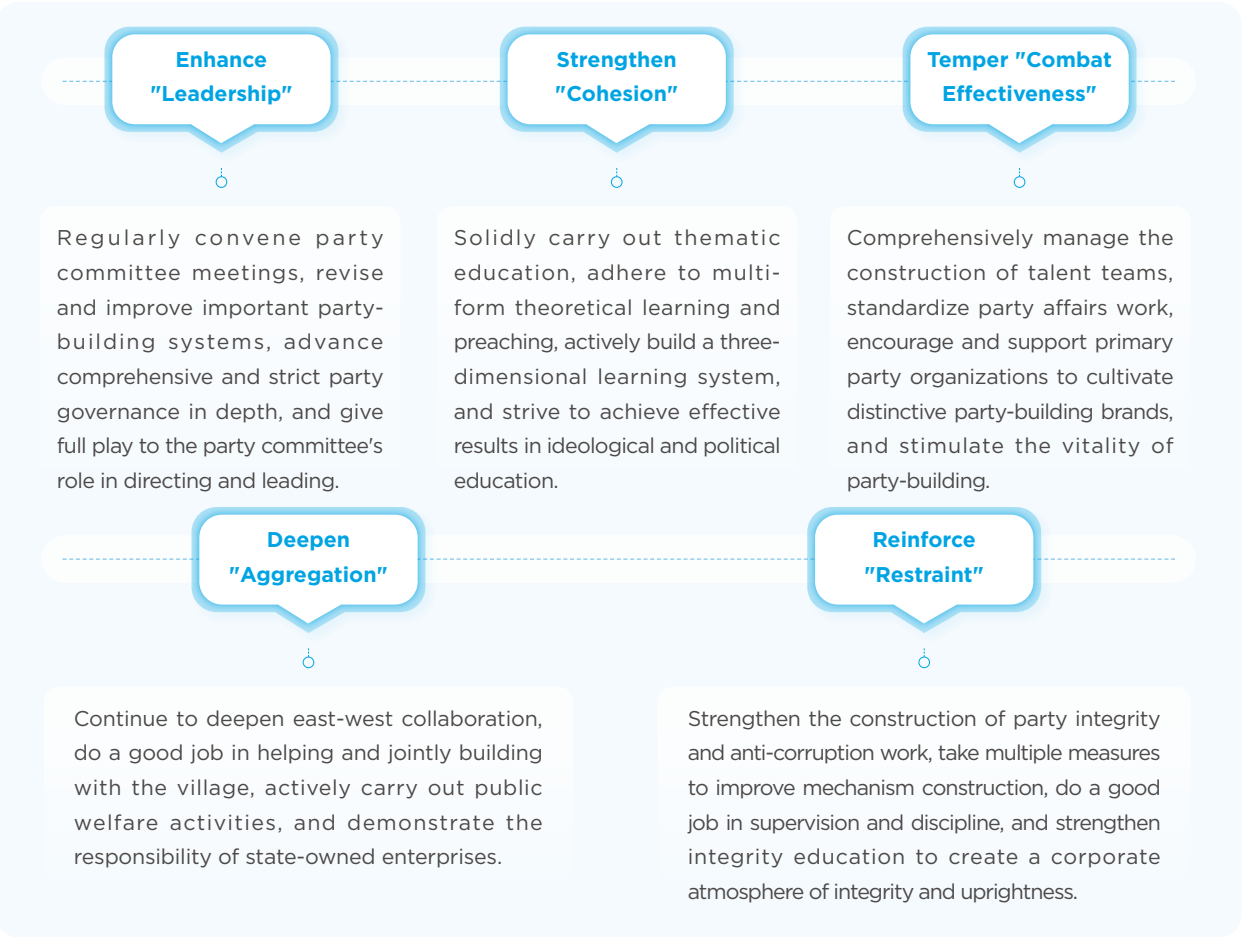
Optimizing Corporate Governance

The Group insists on organically integrating the party’s leadership with the improvement of corporate governance, improving the modern enterprise system management model with Chinese characteristics, and ensuring clear rights and responsibilities, transparent decision-making, efficient operation and strong supervision.

Adhering to the Leadership of Party Building

The Group has always adhered to the guidance of the Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirit of the 20th CPC National Congress, focused on the two major development strategic directions of “serving the real economy and serving society and people’s livelihood”, continued to strengthen the construction of grassroots party organizations, and deepened party building work value connotation.

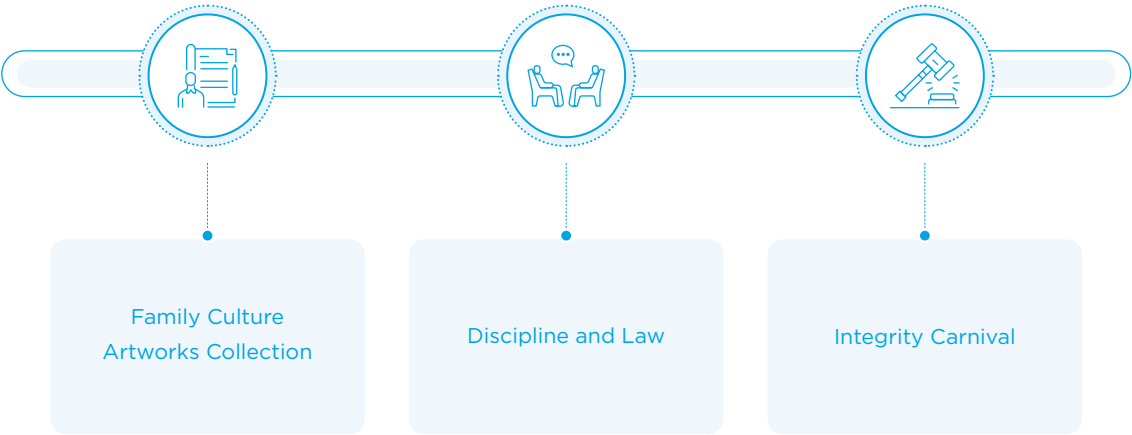
The Group adheres to the party’s overall leadership over the enterprise, writes the overall requirements for party building work into the company’s articles of association, strives to promote the deep integration of party building and production and operation management, implements the “two-way entry, cross-appointment” leadership system, and strictly implements the “three importance and one greatness” decision-making and party committee pre-research systems lead the group’s high-quality development with high-quality party building.



Case

Cultivate a integrity culture and cultivate a integrity atmosphere

In 2023, the Group organized the second “Integrity Culture Promoting Month.” Through a series of activities such as collecting and broadcasting original family culture art works created by employees, conducting disciplinary knowledge competitions, and holding integrity carnivals, the Group further strengthened the awareness of integrity and self-discipline among employees.



Standardizing the Governance System

In order to ensure operational efficiency and scientific decision-making, the Group deepened the “strategic management and control” model and continued to build a three-level management structure of “Group Headquarters-Industry Groups-Operating Units”. At the same time, the Group comprehensively considers factors such as the development stage and governance level of its subordinate industries and enterprises, and implements differentiated management and decision-making, approval and authorization to achieve efficient governance.

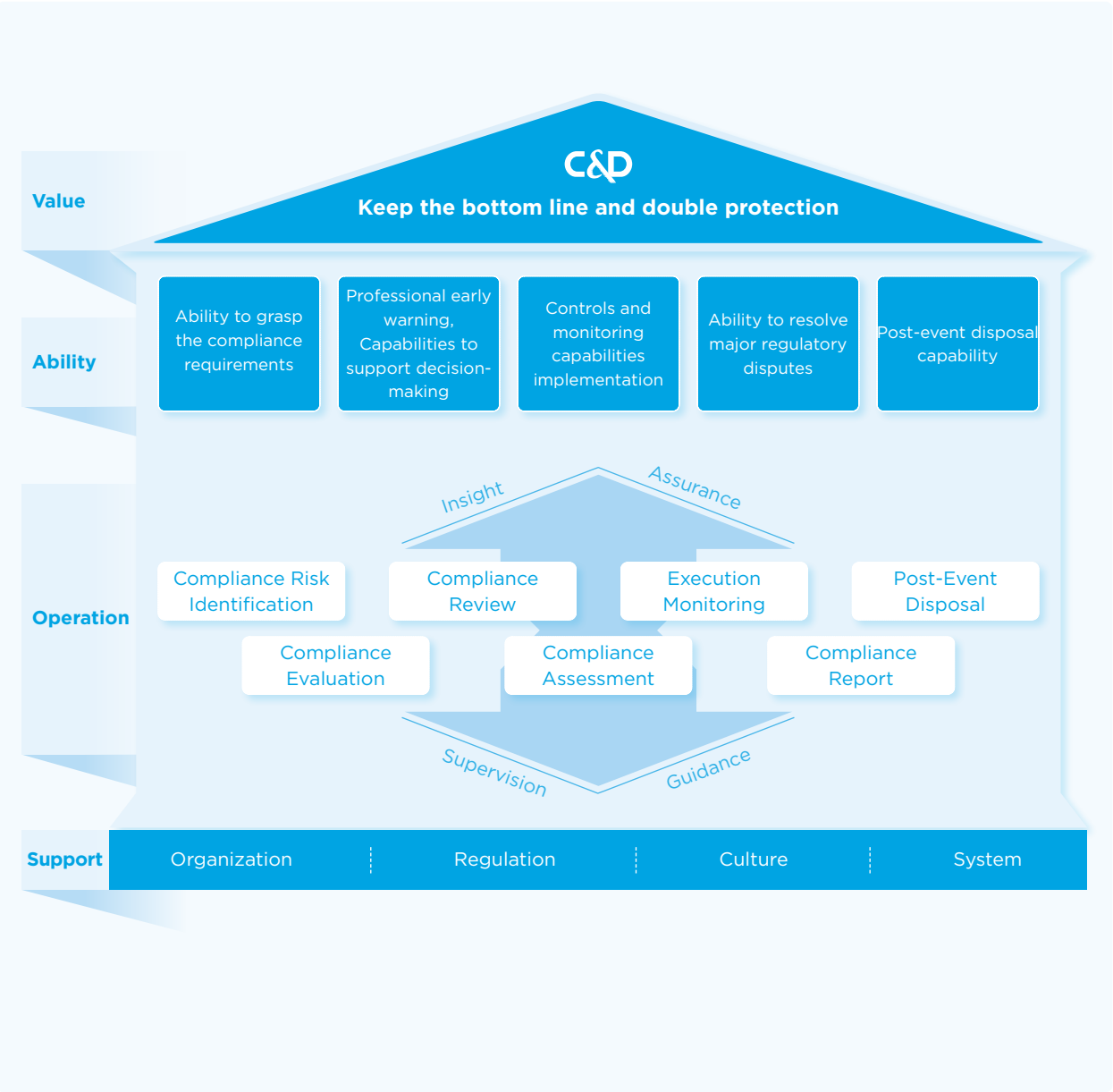
The Group implements charter management in accordance with the law, standardizes the corporate governance structure and the boundaries of rights and responsibilities of each governance entity, strengthens the construction of the board of directors and scientific authorization of the management team, ensures that managers perform their duties in accordance with the law, gradually improves the modern governance system, and forms a good operating mechanism in which the party committee, the board of directors and the management level perform their duties, fulfill their responsibilities, and operate in coordination. Give full play to the leadership role of the party committee in “setting the direction, managing the overall situation, and ensuring implementation”, the core role of the board of directors in “setting strategies, making decisions, and preventing risks”, and the main role of the managers in “planning operations, implementing, and strengthening management” to enhance modern governance capabilities.

Adhering to Compliance Operations

The Group has always adhered to laws and regulations to govern the enterprise, continuously improved the compliance management system, made every effort to prevent operational risks, improve management energy efficiency, and provide guarantee for the stable development of the Group.

In 2023, the Group established a leading group for the construction of a compliance system to form a compliance management framework system through current situation surveys, risk portraits, sorting out regulatory requirements, industry benchmarking, management logic and overall idea design, etc., and improve the level and quality of corporate compliance management.

In addition, the Group continuously strengthens the awareness of compliance management and promotes the construction of compliance culture through annual legal exchange meetings and special compliance training.



▼ C&D Group Compliance Management Framework and System

Strengthening Risk Management

Focusing on "magnifying advantages and narrowing shortcomings", The Group continues to lay a solid foundation and continue to improve the comprehensive risk management system, internal control system, and safety production management system that match the company's development goals to protect the high-quality development of the enterprise.

Strengthening Audit Supervision

Focusing on the main responsibilities and main businesses, The Group continued to strengthen audit supervision, deepened the construction of internal control and risk management, improved the internal audit management system under the leadership of the Board of Directors, and built a two-level audit system of the Group's headquarters and industry groups.

In 2023, the Group continues to promote the informatization and digitalization of internal audit, and to promote the construction of the Group's audit system to improve audit efficiency, to strengthen risk prevention and control, and to optimize management decision-making.

Safety Production Management

The Group adheres to the safety production management policy of "safety first, prevention first, comprehensive management", conscientiously implements the relevant regulations of "Party and government joint responsibilities, dual responsibility for each position", refines and implements safety production responsibilities, and continuously optimizes the Group's safety production management system.

In 2023, the Group conscientiously implemented the "2023 Special Investigation and Rectification Action for Major Accident Hazards" and other work requirements of the State Council Safety Committee, compiled the "Compilation of Standards for Determining Major Accident Hazards", organized and convened meetings to prevent and contain major production safety accidents, and effectively consolidated all levels of responsibilities, ensure the implementation of special actions, and strive to improve the overall safety quality of the group. In 2023, approximately 20,000 letters of responsibility for production safety were signed at all levels of the Group, more than 2,700 safety emergency drills were held, and nearly 1,500 emergency plans were revised.

2023 |

Investment in safety production is nearly

RMB **400** million

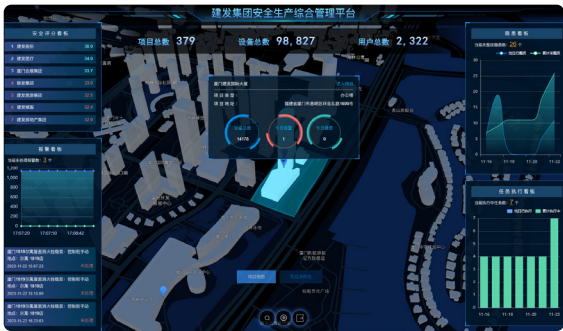
More than

2,500

safety-related training

Optimize the safety production management platform and improve the efficiency of safety management

In 2023, the Group continued to upgrade the system functions and data analysis capabilities of the comprehensive safety production management platform, using emerging technological means to empower safety production management. This year, the platform expanded its coverage to approximately 400 project sites across the country, serving more than 2,300 safety production management personnel at all levels, essentially achieving the online management of safety production work.



▼ Integrated Safety Production Management

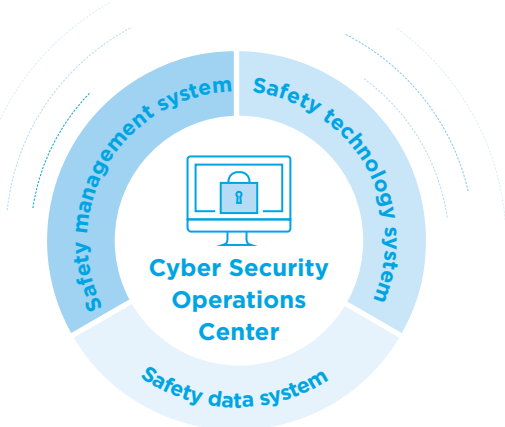
Network Security Management

The Group has established an overall network security management framework of "one center + three-fold guarantee system", and set the goal of "zero major network security incidents throughout the year" to thoroughly implement the network security management responsibilities.

During the 2023, the Group strengthened network asset security, penetration testing, emergency response, offensive and defensive drills, hidden danger management and other measures to ensure business information security in an all-round way.

The Group signs confidentiality agreements with employees to protect customer privacy, business secrets, national authority Deepening reform and innovation Guided by the " benchmarking of world-class value creation actions", the Group adheres to innovation-driven efforts, continues to deepen reform, continuously stimulates corporate development vitality, and continuously improves corporate core competitiveness and market adaptability.

At the same time, The Group continues to strengthen network security training and publicity to enhance employees' awareness of prevention and ensure information security. In 2023, the Group provided a total of 50 penetration tests for various industry groups, organized 30 special network security emergency drills, had more than 110 employees of professional posts participated in network security skills training, and had more than 15,000 employees at all levels of the company participated in network security publicity and training.



▼ C&D Group's overall network security management framework

Case

Cybersecurity training and advocacy

In 2023, the Group conducted specialized cybersecurity training at multiple levels for IT professionals, employees at all levels, and third-party service providers, covering topics such as cybersecurity awareness, cybersecurity situation analysis, data governance, and data export. This was done to enhance the cybersecurity defense capabilities of the employees. Additionally, in June and September 2023, the Group carried out two company-wide cybersecurity awareness campaigns. They engaged employees through offline posters, interactive games, online video promotions, and prize quizzes, focusing on raising the overall cybersecurity awareness among all staff.



▼ Cybersecurity advocacy

Intellectual Property Management

The Group strictly abides by relevant laws and regulations, formulates the "Measures for the Administration of Trademarks and Enterprise Names", continuously improves the management of intellectual property rights, promotes the technological upgrading of the Group, and promotes the innovative development of the Group's business.

In 2023, the Group promotes the legalization of software in a solid and orderly manner to fully respect the rights and interests of software developers and strengthen the protection of intellectual property rights.

2023

Annual newly authorized patents	Newly registered trademarks in the year	New copyrights in the year
11	160	34
Total authorized patents	Total registered trademarks	Total copyrights
616	2,912	182

Deepening Reform and Innovation

Guided by the " benchmarking of world-class value creation actions", the Group adheres to innovation-driven efforts, continues to deepen reform, continuously stimulates corporate development vitality, and continuously improves corporate core competitiveness and market adaptability.



- Continue to improve the risk management and control mechanism of the Group, and give full play to the functions of discipline inspection, supervision and supervision to ensure the stable operation of the Group.
- Build a scientific, rational and efficient board of directors, and constantly improve the scientific and standardized decision-making level of the board of directors.



- Promote the concentration of state-owned capital in core businesses and areas of advantage, adhere to professional and branded operations, and continuously drive the main business to grow stronger and better.
- Focus on promoting the professional integration of the supply chain service sector, actively deploy in new tracks of the pulp and paper and copper smelting industry chains, extend the supply chain business upstream and downstream of the industry chain, enhance advantages in conjunction with the main business, and improve the resilience of supply chain business development.



- Focus on scenarios such as management improvement and business development, continuously increase investment in information technology, and continuously solidify the "digital foundation" to enhance the Group's operational efficiency.
- The subsidiary C&D Inc. continues to build an industrial internet platform, driving and influencing all parties in the industry chain to improve collaborative efficiency, and creating a shared and win-win "ecosystem."
- The subsidiary C&D Emerging Industry Equity Investment directly invests in and supports sci-tech companies and venture capital funds through direct equity investment and fund investment, promoting industrial upgrading in the field of technological innovation, enhancing corporate core competitiveness and innovation capabilities.
- The subsidiary C&D Healthcare has established cooperation with more than 10 medical colleges and universities both inside and outside the province, creating conditions for the reserve of medical science and technology talents and the transformation of scientific and technological achievements through a combination of medical education and research.

Serving the Overall Development

Resonating with the Times

Focusing on the two strategic directions of "Serving the Real Economy and Serving the People's Livelihood", C&D Group continues to promote its main businesses such as supply chain operation, municipal construction and operation, hospitality & expos, medical and health, and emerging industry investment to continue to become stronger, better and bigger. The Group effectively plays the supporting role of the state-owned economy in optimizing structure, smooth circulation, and stabilizing growth. It integrates enterprise development into the overall national and local development plans, jointly writing a new chapter of prosperity and development.

Contributions to UN SDGs



CASS-ESG 5.0 Benchmarking

V1.1-1.4 V2.5-2.6 V3.1 V3.3

Annual Key Performance

Supply Chain Operation

Establishing business relationships with
170+ countries and regions

Annual international trade volume exceeding

43.8 billion USD

Year-on-year growth

8.38 %

Municipal Construction and Operation

Cumulatively covering
70 cities nationwide

Serving **900,000+** owners/customers

Promoting **110+** projects in healthcare, education, and people's livelihood by 2023

Tourism & Exhibition

The total number of hotel rooms in operation exceeding

6,500 units

In 2023, the number of business travelers received exceeding

1.12 million

Venues under management exceeding

800,000

In 2023, providing service guarantee for various exhibition activities exceeding

260

Attracting exhibitors and visitors exceeding

1.7 million

Medical and Health

Nearly one million healthcare visits for patients and customers by 2023

Providing medical device distribution services to

3,000+ medical institutions

Emerging Industry Investment

Nearly **25** billion in funds under management

Participating in corporate investment exceeding

200 companies

Co-sponsor with the National Council of Social Security Funds, initiated the establishment of FoF with a total size of

4 billion

Serving the Real Economy

With strategic vision and responsibility, C&D Group actively focuses on its main business and injects new momentum into the high-quality development of the real economy. By building a supply chain service system, optimizing resource allocation, improving the efficiency of the industrial chain, ensuring the stable supply of key materials, and enhancing the competitive advantage of entity enterprises in the industrial chain; Through equity investment, the Group can accurately meet market demand, provide financial support for entity enterprises, stimulate market vitality, and promote scientific and technological progress and industrial transformation and upgrading.

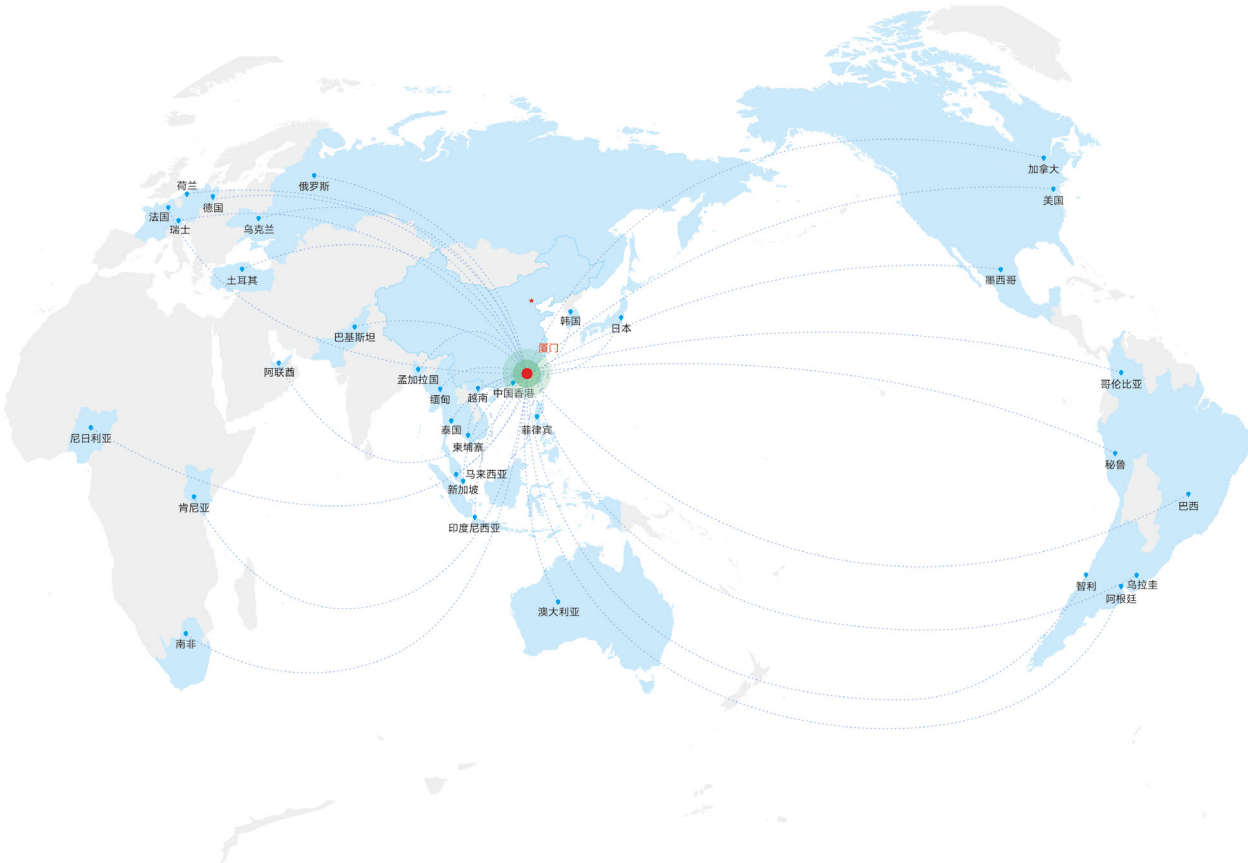
Building a Global Supply Chain Service System

- **C&D Inc.** further deepened the professional operation of supply chain services, promoted the expansion of business layout from the supply chain to the upstream and downstream of the industrial chain, and consolidated its core competitive advantages with resources and service capabilities; It implements the "internationalization" development strategy, accelerates the layout of the international market, and integrates into the new development paradigm of domestic and international dual circulation and mutual promotion.

Through the LIFT Supply Chain Service System, C&D Inc. focuses on steel, pulp paper, automobiles, agricultural products, consumer goods, minerals, energy and chemical industries, strengthens the dual empowerment of technology and finance and the dual support of investment and logistics, and effectively matches the supply and demand of upstream and downstream enterprises. Meanwhile, it forms supply chain synergy, promotes the optimization and upgrading of the industrial chain, enhances the resilience and competitiveness of the industrial chain, ensures the smoothness and security of the national industrial supply chain, and promotes the development of the real economy.



▼ C&D Inc. LIFT Supply Chain Service System



Integration Into the "Dual Circulation" Development Pattern

- Based on the national unified market, **C&D Inc.** continuously strengthens the deep cultivation of key markets and coordinated regional development, accelerates its international layout, and continues to integrate into and serve the domestic and international "dual circulation". As of the end of 2023, C&D Inc. has established more than 30 overseas companies and offices in Vietnam, Malaysia, Indonesia, Japan, South Korea, Brazil and other RCEP member countries, BRICS countries and countries along the "Belt and Road Initiative", and has cooperated and establish business relationships with 170 countries and region. The product categories operated by C&D Inc. have penetrated various segments of national economic development, initially realizing a multi-category global layout from bulk commodities to consumer goods. This helps C&D Inc. enhance its global allocation capabilities and market voice of various elements.

Meanwhile, C&D Inc. actively explores the markets in the central and western regions of China, deploys the New International Land-Sea Trade Corridor business in the west, and helps local customers expand the market, reduce costs and increase efficiency. In 2023, the purchase and sales scale of C&D Co., Ltd. from the central and western regions exceeded 200 billion, a year-on-year increase of 8%.

By the end of 2023	2023	
C&D Inc. served domestic upstream and downstream small and medium-sized enterprises	The annual international trade volume exceeded	Year-on-year growth
50,000	\$ 43.8 billion	8.38 %

Contributing to the Development of Modern Logistics

Through resource integration and investment in supply chain logistics, the Group promotes the connection and coordination of domestic and overseas sea, land and air transportation networks, thereby contributing to the development of a modern logistics infrastructure system.

- **C&D Inc.** continues to provide logistics route planning, cargo assembly and distribution, port customs clearance and other service guarantees to help the high-quality and regular operation of China-Europe Railway Express; It actively promotes the layout of global logistics resources, deepens the strategic cooperation relationship with large-scale international logistics suppliers, and establishes a global warehousing network covering the entire country with overseas access. By the end of 2023, C&D Inc. has more than 100 self-operated warehousing locations, more than 4,700 global cooperative warehousing locations, and 9 futures delivery warehouses.

C&D Inc. has stepped up its efforts to develop its air cargo business and helped Xiamen build an air cargo hub of Maritime Silk Road. By the end of 2023,, its subsidiary Shangzhou Aviation Logistics Co.,Ltd. has developed and operated more than 400 domestic and foreign routes, serving more than 130 domestic cities and nearly 80 international cities and regions. It has established branches in London and Los Angeles, and successfully completed the launch of the first locally-based all-cargo aircraft in Xiamen.

- **C&D Emerging Industry Equity Investment** actively deploys the supply chain logistics field, invests in Zongheng Group, promotes the global expansion of integrated logistics solutions, and stimulates new momentum for foreign trade development; It invests in Zelos with the aim of promoting the R&D and application of autonomous driving products in the field of urban distribution, helping solve the problem of "difficult and expensive distribution" in the logistics industry.

Investing to Help the Real Economy

The Group is actively pursuing its role as a state-owned capital investment platform through investment. It continues to support King Dragon Life Insurance Co.,Ltd., Xiamen Airlines Co.,Ltd., Xiamen Fara development Co.,Ltd. and other enterprises to continuously strengthen, optimize, and expand. Meanwhile, the Group optimizes the concentration of state-owned capital in key industries, key fields and advantageous enterprises to better serve the needs of the real economy.

- **C&E Group** has intensified its efforts to attract well-known exhibitions to Xiamen, further innovated, explored, enlarged and strengthened self-organized exhibitions, and actively planned exhibition activities that are in line with the local market. While promoting industry exchanges and progress, it has effectively promoted the development of upstream and downstream industries such as transportation, tourism, and catering, helping expand the domestic demand strategy and develop the real economy.

In 2023, Hall D of the Xiamen International Conference & Exhibition Center operated and managed by C&E Group was officially put into use, attracting professional exhibitions and emerging consumer exhibitions to Xiamen, and continuing to support the high-quality development of Xiamen's 100 billion tourism and exhibition industry chain; It promoted the market-oriented operation of Wuyi Conference and Exhibition Center, facilitated the growth of local conference and exhibition industry market and attracted industrial investment, empowering urban development.By the end of 2023, the total construction area of the venues under the management of C&E Group exceeded 800,000m², serving more than 260 exhibitions and conferences of various types, and attracting more than 1.7 million exhibitors and professional visitors.



▼ Hall D of Xiamen International Conference & Exhibition Center

- **C&D Emerging Industry Equity Investment** focuses on national strategic emerging industries, new economic fields such as medical and health care, advanced manufacturing, and TMT/consumption. It conveys the concept of long-termism through the "venture capital industry chain" and allows more "long-term capital" and "patient capital" to flow to emerging technology industries with high growth potential to help more early-and midstage companies with strong capabilities to achieve better development, and endeavourto become an "important engine" for high-quality economic development.

In 2023, C&D Emerging Industry Equity Investment, as the manager, jointly initiated the establishment of a multi-strategy fund of funds with a total scale of 4 billion yuan in cooperation with the National Council for Social Security Fund, which is the first innovative cooperation between the social security fund and local state-owned enterprises. The fund mainly invests in the strategic emerging industries that are supported by the state, leveraging more social capital to serve the emerging industries and the real economy. By the end of 2023, C&D Emerging Industry Equity Investment had nearly 25 billion in funds under management, participated in more than 100 investment funds, and invested in more than 220 companies.



▼ The Group supported 2023 Annual FoF Forum and the 4th Lujiang Venture Capital Forum in Xiamen



▼ Shangzhou Aviation Logistics Co.,Ltd. successfully launched the first locally-based all-cargo aircraft in Xiamen

Serving Society and People's Livelihood

C&D Group is committed to realizing the people's expectations for a better life as its pursuit. It is deeply involved in municipal construction and operation, hospitality & expos, medical and health and other fields, constantly promotes the improvement of urban functions and quality, actively responds to the diversified needs of society and people's livelihood, and contributes to improving and enhancing people's livelihood and well-being.

Serving the People to Live in Peace and Livability

In line with urbanization and modernization of urban governance, the Group plays an active role in the development and construction of new cities, the renewal and renovation of old urban areas, the construction of social and livelihood projects and property management, and serves the urban development strategy, providing people with a safe, comfortable, convenient and healthy quality life experience.

By the end of 2023, the Group had accumulated a presence in over 70 cities, with a development area of over 45 million square meters; It had served more than 900,000 owners/customers in total, and provided property services with an area of over 110 million square meters; During the year, more than 23 renovation projects of urban villages and old communities were promoted, and more than 110 medical, educational and people's livelihood projects were promoted.

- **C&D Real Estate** further enhances its product and service capabilities, continues to consolidate its "product + service" positioning, and releases a variety of new style products such as "Splendid Tang Style", "Elegant Song Charm" and "Poetic Orient", ranking first in the industry in terms of comprehensive customer satisfaction¹; In addition, it promotes Xiamen's key livelihood project of "Great Improvement on the Island"- Hubin Area Renovation and Enhancement Project with high standards and high efficiency, building a model community of urban modernization.
- **Lianfa Group** continues to improve its product strength and creates two major product lines, "Yue" Series and "Jiahe" Series, as well as high-end customized products; With the full chain model of "agent construction + urban renewal + operation", it actively participates in urban renewal projects inside and outside the island such as Huangcuo, Qianpu and Aoguan, and contributes to improving people's living conditions and enhancing urban energy levels; It actively promotes the construction, transformation and upgrading of cultural and creative industrial parks such as Lianfa Yue 10 Space and Lu Chao-Gulangyu Art Academy, providing innovative impetus for regional industrial transformation and upgrading.



The largest resettlement housing project outside the island of Xiamen
——The Jimei Chenjing Pubian Chao Yao resettlement housing project

¹Data source: Customer Satisfaction Industry Database by Saiwei Consulting

C&D Real Estate's "Poetic Oriental" style product masterpiece

——Hangzhou Yunqi Zhijiang Project

With "science and technology innovation + culture" as the core of A new generation of immersive version 3.0 creative industrial

——Lianfa · Yue 10 Space officially opened

Renovate and upgrade the old campus and reshape the "Island of Art"

——Luchao Gulangyu Academy of Fine Arts Project (operated by Lianfa Group)

Being a Good City Steward

○ **C&D Urban Service** plays the role of "city steward", responds to the modernization needs of urban governance system and governance capacity, solidly promotes urban service, further extends the reach of urban management, and gives citizens a real sense of gain, happiness and security, striving to paint a new picture of high-value urban areas.

Environmental sanitation integration

Sanitation and river cleaning area over **26.6** million square meters

Road greening maintenance area over **3.8** million square meters

Municipal maintenance

Maintained over **7.6** million square meters of municipal roads

Maintenance of rainwater and sewage pipe network over **180**km

Park and trail management

Managing over **70** parks

Management area exceeding **8.1** million square meters

Trail management length exceeding **40** km

Case

Assisting in the renovation of Dongdu Area of Huli Distirct

As an area built early in Huli District, the problems in Dongdu area are prominent. 85% of the communities have no property management and rely on streets and communities to provide basic services such as public environmental sanitation, seriously affecting the living quality of residents. As the "manager" of the urban area, Huli C&D Urban Construction, a subsidiary of C&D Urban Services, works with streets and communities to replace "Demolition and Construction" with "Repairs and Changes" through moderate reconstruction based on the original community appearance to meet the actual living needs of the residents, creating a convenient "15-minute living circle"; Property services are fully settled in 29 districts. While providing professional property services, it carries out special festive activities and parent-child and public welfare activities to fill the district with renewed vitality. In 2023, the integrated community project in Dongdu was listed as a pilot project for building integrated communities by the Ministry of Housing and Urban-Rural Development and a model project for integrated communities in Fujian.



Renovation of Dongdu Area

Creating a High-end Business Travel Experience

○ **C&D Tourism** adheres to the mid-to-high-end positioning, providing professional and lean services. Based on its own superior resources, C&D Tourism carries out the creation of preferred products, promotes "one store, one feature" and "one store, one performance", bringing high-end experience to business travelers. At the same time, it contributes to improving consumption levels and stimulating domestic demand potential. By the end of 2023, C&D Tourism operated 25 hotels with a total of more than 6,500 guest rooms. During the year, it received more than 1.12 million business tourists, and C&D International Travel Service received more than 1.3 million tourists.



Seaview Resort Xiamen



Carp Islet Resort



Wuyi Mountain Dahongpao Resort

Helping the Development of Medical and Health

The Group actively integrates into the "Healthy China" Strategy, responds to the call for the reform of the medical and health system, deploys the investment and operation management of medical institutions and upstream and downstream medical industrial chains, promotes the high-quality development of the health industry, and effectively enhances the people's sense of gain, happiness and security.

○ **C&D Innostic**, as a national medical device distributor, focuses on promoting the integrated supply chain service of medical devices. It plays a key role in connecting the industrial chain of medical device manufacturers, distributors and medical institutions, and ensuring the continuity and quality of medical services.

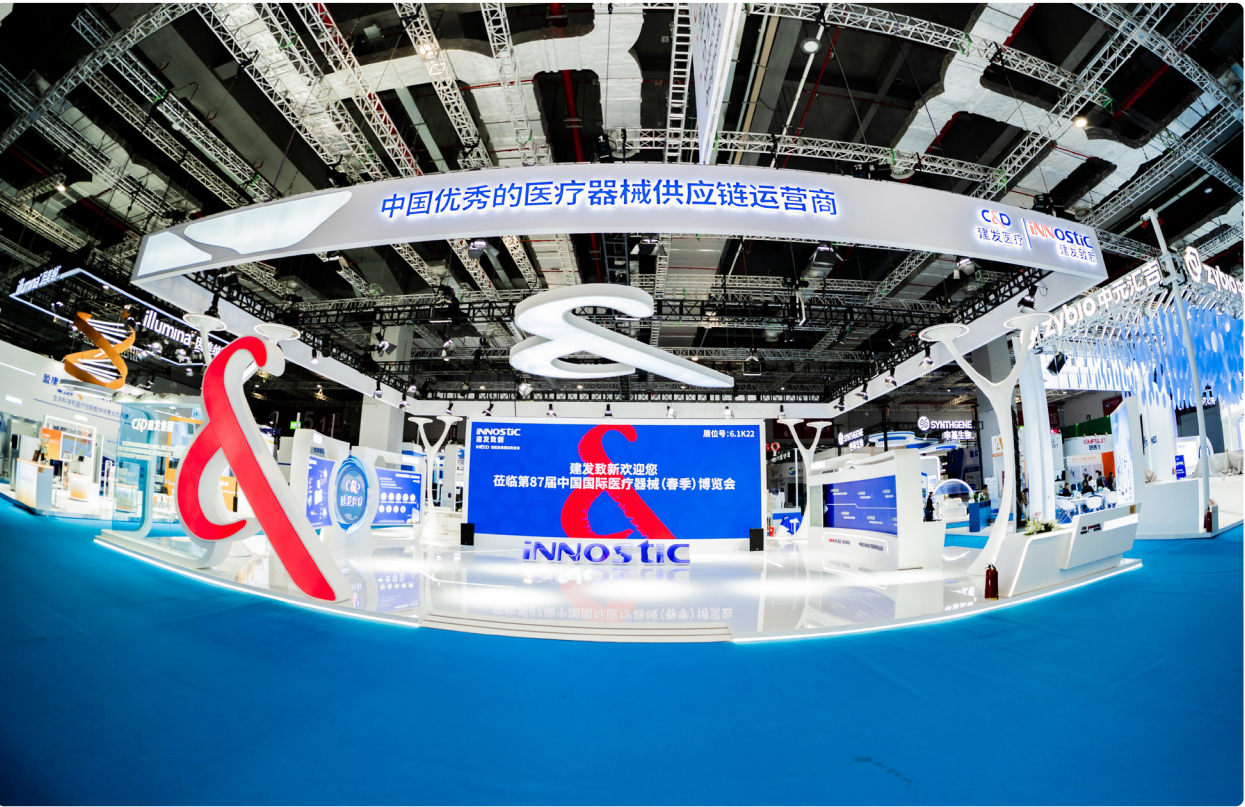
In 2023, C&D Innostic focused on the national integrated layout, further expanded the types and scale of product lines, and added multiple regional key hospitals SPD service project to better provide medical device supply chain management and in-depth services for regional medical institutions.

2023

Providing medical device distribution services to over

3,000

medical institutions



▼ C&D Innostic made its debut at the 87th China International Medical Equipment Exhibition

○ Through the operation and medical management output of subordinate institutions, **C&D Healthcare** relies on the construction of health management disciplines to provide patients with high-quality and all-round medical and health services, promote faster and more economical medical services, and help "benefit people's livelihood and make up for shortcomings" with heart and soul.

In 2023, Xiamen Humanity Hospital, the host institution, made key progress in establishing the country's first Boron Neutron Capture Therapy (BNCT) center; and Humanity Rehabilitation Hospital, a subsidiary of Xiamen Humanity Hospital, was accredited with the highest level of CARF, the international "gold standard" for rehabilitation.

2023

Annual Outpatient and Emergency Care
Volume of its Medical Institutions

961,900² person/time

Amount of rehabilitation
treatment

377,000 person/time



▼ Xiamen Humanity Hospital BNCT

²Including the custodian institution Humanity Hospital

Focusing on Customer Satisfaction

Co-creating with Users

C&D Group adheres to the "customer-centered" approach, constantly gains insight into and carefully studies the changes and trends in customer needs in various industries, listens carefully to customer feedback, and strives to achieve product strength and service capabilities through lean management, innovative research and development, digital intelligence empowerment, etc., and is committed to providing customers with a better brand experience.

Contributions to UN SDGs



CASS-ESG 5.0 Benchmarking

V2.2-2.4,S4.1-4.3,S4.5,S4.7-4.8,G1.5

Annual Key Performance

In 2023, C&D Group's R&D investment increased by approximately

50%

R&D investment



In 2023, the customer satisfaction scores of each industry group are as follows

C&D Real Estate 93.7 points (at the forefront of the industry ³)

C&D Healthcare

Xiamen Humanity Obstetrics and Gynecology Hospital

95.76%(comprehensive satisfaction of outpatient and inpatient patients)

Ranked first in Xiamen's tertiary maternity and gynecology hospitals

Humanity Rehabilitation Hospital

100%(outpatient satisfaction)

Ranked first in Xiamen

³Data source: Saiwei Consulting Customer Satisfaction Industry Database

Production and Service Innovation

Various industry groups affiliated to C&D Group continue to explore and innovate, carefully create diversified products and service models, and constantly adapt to market changes and meet customer needs through innovative solutions and upgraded service experiences

Digital Intelligence Technology Empowerment

C&D Inc. continues to strengthen "technology empowerment", actively integrates cutting-edge technologies such as big data, cloud computing, and artificial intelligence, and builds a digital supply chain service system for multi-scenario applications. Through the deep integration of digital solutions and industrial development, C&D Inc. has created a smart supply chain ecosystem to strengthen information interconnection with upstream and downstream customers, and to promote industrial transformation and upgrading.

Iron and Steel Industry

Launched digital collaboration platforms for the steel industry chain "C&D Cloud Steel (E-Steel Union)" and "Steel Logistics Cloud" to realize online and digitalization of the entire supply chain, greatly improving customer business operation efficiency and experience.

Pulp and Paper Industry

Launched the pulp and paper industry Internet platforms "Zhiyuan Network" and "Jiangyi Tong" to solve the pain points of cumbersome procedures, high costs, difficult storage and transportation, and insufficient funds of the traditional pulp and paper transactions, and provide customers with all-round, high-quality and customized supply chain services.

Agricultural Products Industry

Launched the customer service platforms "Agricultural E-point" and "E-Liangtong" to realize the online, paperless and platform-based contract execution process of agricultural products supply chain, and bring more convenient and intelligent supply chain services to customers.

By building a digital full-process service system, C&D Healthcare achieves accurate access to information and meets patients' personalized medical and health management needs. In 2023, C&D Healthcare launched "pre-consultation" and "pre-consultation" services to accurately assess the patient's condition and provide "one-click" appointment services through multiple channels, which can save 50% of patients' waiting time. In addition, C&D Healthcare Mini Program has launched the "Medical Access" function, which comprehensively manages the entire medical treatment process of patients from pre-diagnosis appointments to post-diagnosis medication reminders.



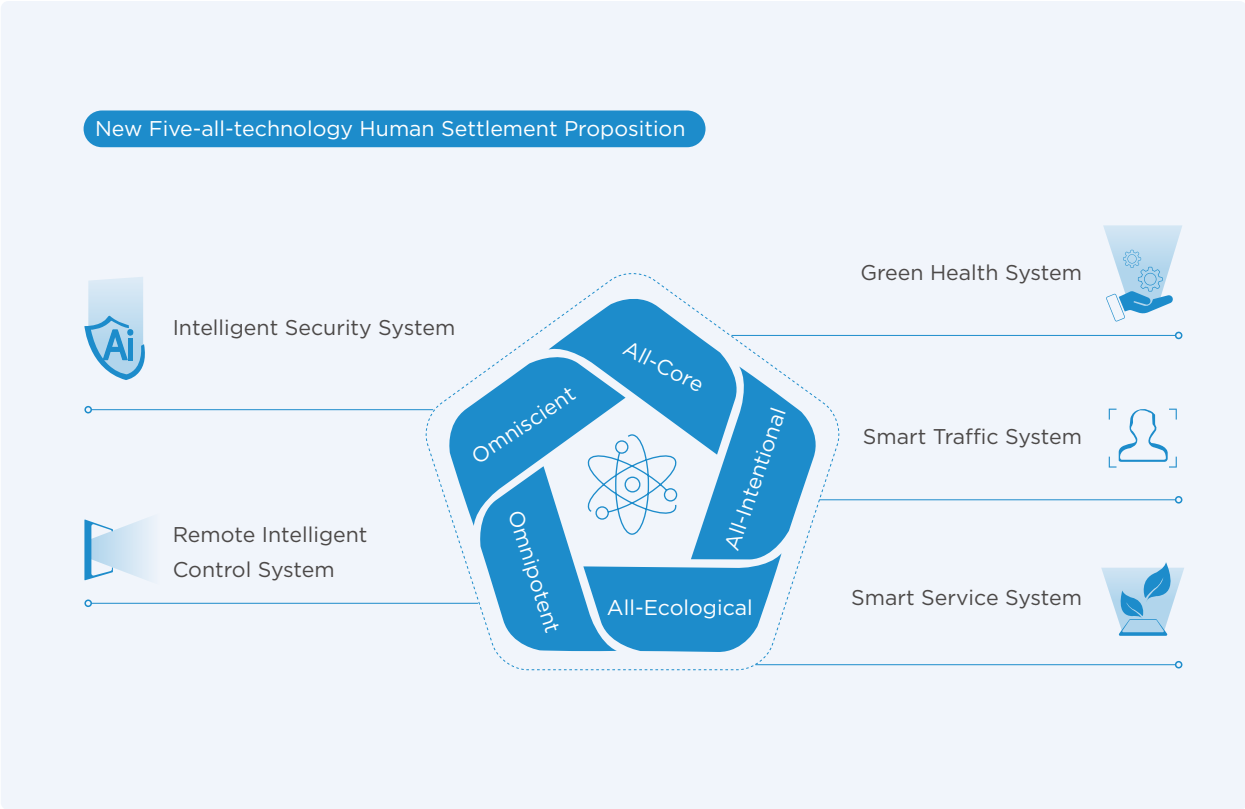
C&D Healthcare Mini Program "Medical Access" Interface

C&D Tourism launched the "Smart Residence" self-service check-in system, which simplifies the check-in process for guests by quickly matching orders, verifying, paying and rooms selecting, which cuts down on guests' waiting time and improves their check-in efficiency and experience..

C&D Real Estate is committed to promoting the intelligent development of residential buildings. Its subsidiary C&D Zhaohui Internet Technology Limited has launched a new five-all-technology human settlement proposition of "omniscient, omnipotent, all-core, all-intentional, and all-ecological", using modern information technology to highly integrate intelligent systems and life to put upgrades on residential intelligence, and strive to provide customers with a smarter and more convenient lifestyle.



Intelligent security system: AI monitoring of amusement park areas



By using cutting-edge technologies such as 5G, cloud computing, Internet of Things, big data, artificial intelligence, and park digital platform, C&D Urban Services has built a set of digital platform base and 18 intelligent application systems, contriving to the management and service model innovation of large sports venues and providing solid technical support and service guarantee for various international competitions. This technology helps the construction of smart venues in Xiamen Olympic Sports Center, becoming the first model of smart venue construction in China.

Continuous Upgrading of Products and Services

- **C&D Inc.** actively uses futures tools to empower supply chain services and industrial investment projects, serving more than 400 industrial customers through pre-sale counter-arbitrage, basis trading, rights-inclusive trade, etc. It has also been approved to become the Shanghai Futures Exchange's "Solidifying market fundamentals for business development" industry and finance service base, the DCE's industry and finance cultivation base, and the Zhengzhou Commodity Exchange's "industrial base" of the real economy.
- **C&D Real Estate** focuses on in-depth research on the modern living needs of customers, constantly updating product design, and realizing the organic integration of modern architectural art and traditional Chinese culture. In 2023, C&D Real Estate officially launched two major Chinese-style product systems, including five types of Chinese-style product styles including "Emperor Chinese", "Zen Chinese", "Shengshi Tangfeng", "Fengya Songyun" and "Shiyi Dongfang" to provide customers with high-quality living place with profound culture contained.

C&D Real Estate's two major Chinese-style product systems

Junya series



Zen Chinese

▼ Simplicity and elegance, and serenity and tranquillity



Shiyi Dongfang

▼ The elegance and charm exhibited by Eastern culture



Fengya Songyun

▼ Freshness and refinement, and exquisiteness and elegance

Zhengui Series



Shengshi Tangfeng

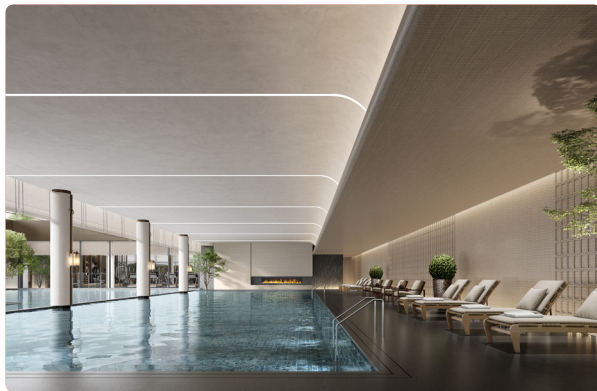
▼ Prosperity and flourishing, and elegance and luxury



Emperor Chinese

▼ Nobility, grandeur, solemnity, and elegance

- **Lianfa Group** insists on being customer-centered, taps into the needs of mainstream urban people in cultural aesthetics, emotional value, product function, health wisdom and other life scenarios, focus on the modern humanistic track, pioneers the New Amoy Deco in the country, creates the Yue Series and Jiahe Series of products, as well as high-end customized products, and continues to innovate and develop new youth products, aiming to create a new lifestyle with high quality, culture and strong experience for Generation Z. At the same time, adhering to the concept of "space as a service", it creates customer life cycle life scenarios and service systems, and ensure good products, good services and good communities.



▼ Shanghai Lianfa Gold Haiting Yuntai



▼ Chongqing Lianfa Jiahe Mansion

- **C&D Tourism** continues to explore and spreading Fujian food culture, carefully develops new styles of Fujian cuisine, and debuts "Fujian Banquet 1984", allowing guests to deeply experience the unique charm of Fujian cuisine.
- **C&D Urban Service** innovates the "government-enterprise co-construction" model, continues to increase the creation of cultural tourism and art IP in the Aotou area, and strives to build the Aotou area into a high-quality development gathering place of multi-dimensional art industry such as "art + business + cultural tourism + education tourism", and strives to enhance tourists' perception and experience.



▼ Catering Brand Launch Conference Site



▼ Real scene map of Aotou areaMinYan 1984"

Improvement in Quality Management

C&D Group attaches great importance to product and service quality, and its affiliated industry groups ensure the implementation of quality management by improving standards and specifications, obtaining management system certification, and improving supervision mechanism.

Supply Chain Operations

- **C&D Inc.** adheres to the policy of "professionalism, efficiency, high quality and integrity" and adheres to product quality management as the core. Some supply chain operating companies have been granted ISO 9001 Quality Management System Certification.

Municipal Construction and Operation

C&D Real Estate and Lianfa Group have been granted **ISO 9001 Quality Management System Certification**.

- **C&D Real Estate** improves the "Project Operation System", "Project Full Cycle Guidance Manual" and "Design Work Standards" and other related systems; Establish a "9A delivery system" and hire a third-party professional company to conduct projects before delivery to ensure high-quality delivery of products.



Carry out 9A inspection



After-sales inspection

- **Lianfa Group** updated the "Lianfa Group Construction Standards" to improve the standardization of project process procedures; Through digital management of construction sites, online collaborative management is achieved in key process acceptance, project engineering inspection, sample acceptance and material management; Continue to implement the "6321" delivery management system to ensure delivery.
- Guided by the PDCA, **C&D Urban Service** forms a virtuous loop of inspection plans, on-site inspections, refinement and summary, publicity and training, and summary and application, thereby continuously improving problem-solving and quality supervision capabilities.

Tourism & Exhibition

- **C&D Tourism** optimizes the "Operation Quality Management Measures" and adopts comprehensive evaluation and monthly ranking methods to improve hotel service quality. At the same time, C&D Tourism has independently developed a hotel service quality management system to further improve the quality of hotel operation services.
- **C&E Group** has established three standard systems for service provision, service guarantee, and other related work, and innovated quality inspection methods to enhance the safety production and quality management awareness of inspectors, ensuring effective implementation of responsibilities.



C&D Tourism Service Quality Management System

Medical and Health

- **C&D Healthcare** guides hospitals to set up medical quality management committees and other organizations to supervise the use of drugs and the safety of medical services Full. Establish quality standards in medication, nursing, diet, etc. to reduce medical risks and ensure patient safety.

C&D Healthcare hospitals and laboratories have obtained multiple qualification certifications

CARF Rehabilitation Agency Three-Year Certification

GSP Good Supply Practice Certification for Pharmaceutical Quality Management

Some of C&D INNOSTIC subsidiaries have obtained multiple certifications

ISO 9001 Quality Management System

ISO 13485 Medical Device Quality Management System

ISO 14001 Environmental Management System

ISO 45001 Occupational Health and Safety Management System

Enhancing Customer Satisfaction

Customer satisfaction is the yardstick to test the effectiveness of products and services. C&D Group and its affiliated industry groups continue to optimize customer service processes and quality, actively handle customer complaints, and strive to improve customer satisfaction.

Carry Out Customer Satisfaction Survey

○ **C&D Inc.** focuses on supply chain service demand trends, process satisfaction and service systematization needs, conducts customer satisfaction surveys, and extensively collects feedback from partners; Based on the survey results, C&D Inc optimized and improved service capabilities around service monitoring, demand management, standard management and guarantee management, so as to continuously improve customer satisfaction.

○ **C&D Real Estate** collects customer opinions through multiple channels through immediate return visits, regular surveys and internal evaluations, and takes timely measures to optimize product and service quality.

2023

C&D Real Estate's overall customer satisfaction score is **93.7** points, ranking first in the industry **First Place**.

Data source: Saiwei Consulting Customer Satisfaction Industry Database

○ **Lianfa Group** has established a customer satisfaction system with real-time evaluation and covering the whole life cycle of customers.

2023

The advantage of Lianfa Group 's annual third-party customer satisfaction survey results over the industry average further expanded, approaching the industry TOP10 level and ranking among the top in the industry.

○ **C&D Tourism** collects customers' opinions on service, hygiene, sleep quality, network, catering and cost performance through an online questionnaire survey on hotel customer satisfaction. According to the customer opinion analysis website brandwisdom.com, the annual customer satisfaction score and favorable rate of C&D Tourism are:



○ According to the Customer Satisfaction Measurement and Control Standards, **C&E Group** collects effective information through diversified measurement methods and feedback channels to comprehensively improve service quality.

2023

C&E Group conducted multiple offline satisfaction surveys among exhibitors and organizers, with an average satisfaction rate of **99%**

○ **C&D INNOSTIC** maintains in-depth communication with customers to accurately grasp their needs and proactively seek opportunities for service improvement. In 2023, C&D INNOSTIC organized multiple dealer communication meetings to provide customers with a more comprehensive understanding of its business model and resource allocation, in order to deepen customer trust and promote win-win cooperation.

○ **C&D Healthcare** has set up a customer service department and a call center under it, which is independently responsible for patient satisfaction survey and demand handling of each member unit.

2023

The patient satisfaction rate of Xiamen Humanity Obstetrics and Gynecology Hospital was **95.76%**
ranking first among third-grade maternity hospitals in Xiamen

Xiamen Humanity Rehabilitation Hospital's outpatient satisfaction reaches **100%**, ranking first in Xiamen

○ **C&D Emerging Industry Equity Investment** establishes a dedicated service channel for customer communication, providing professional consultation to customers, and strengthening communication with customers through industry forums and themed activities, deepening ecological integration with customers, and promoting business collaboration in multiple fields. At the same time, through regular customer visits, C&D Emerging Industry Equity Investment collect and understand customer demands, and continuously improve customer trust and satisfaction.

Actively Handling Customer Complaints

C&D Tourism

Set up a dedicated customer complaint handling line to quickly respond and resolve customer issues, while continuously summarizing experience to improve service quality.

C&D Healthcare

Strengthen key patient management, optimize doctor-patient communication mechanisms, and establish a complaint warning platform aimed at meeting public medical needs and improving patient satisfaction.

C&D Real Estate

Strictly follow the principles of 30-minute response, professional service and customer satisfaction.

2023

C&D Real Estate's timely handling rate of customer complaints reached

99 %

C&E Group

Develop and implement the 'Customer Complaint Handling Standards', establish a complaint supervision center to ensure timely response and follow up on Customer Requests.

Practicing Responsible Marketing

C&D Group and its affiliated industry groups strictly abide by the Advertising Law of the People's Republic of China and relevant laws and regulations, insist on honest and transparent information and communication, and ensure that marketing activities truly reflect product characteristics and service quality. At the same time, The Group actively carry out marketing activities in protecting local culture, caring for children and green consumption, and carefully advocate environmental protection and social responsibility.

- **C&D Real Estate** is committed to ensuring that customers accurately understand the value and characteristics of each project through honest and transparent communication strategies. By formulating the "Marketing Work Standards" and "Marketing Inspection and Evaluation Standards" and other policies, it clarifies the management requirements of compliant marketing and honest sales, standardizes the information review process of omni-channel promotional materials, strictly controls the accuracy, authenticity and compliance of publicity and marketing information, and effectively protects customers' legitimate rights and interests such as the right to know and the right to fair trade.
- **C&D Tourism** actively advocates the concepts of local cultural protection, children's growth and green environmental protection, and practices responsible marketing to promote sustainable development.
- **Lianfa Group** carries out joint risk inspection and daily sales inspection before launching projects sales, comprehensively displays the unfavorable factors inside and outside the project red line, various licenses, related forms and announcements, etc., and outputs a checklist of key marketing risk points, so as to identify potential risks in a timely manner and guide rectification. In addition, Lianfa Group conducts regular training and assessment for sales staff to strengthen compliance awareness and enhance marketing risk management capabilities.



▶ Promote children's exclusive services and care for the growth of the next generation

Collaborating with Partners for Mutual Success

Developing with Partners

C&D Group adheres to the concept of "win-win cooperation", shares development opportunities with partners through collaboration and exchanges, stimulates innovation vitality, jointly creates a mutually beneficial and win-win ecosystem, and achieves common prosperity through interembedded advantages and two-way empowerment.

Contributions to UN SDGs



CASS-ESG 5.0 Benchmarking

V2.5-2.6, V2.8, S5.1-5.3, V1.2-1.4

Annual Key Performance

Total number of suppliers

Over **140** thousand

Invested more than

200 companies

The scale of C&D Emerging Industry Equity Investment management funds is close to

RMB **25** billion

Building a Cooperative and Win-Win Ecosystem

C&D Group continues to deepen diversified cooperation, actively expand the breadth and depth of cooperation, create a healthy and win-win cooperation ecosystem, and work with all parties to promote industry development.

Deepening Diversified Cooperation

The Group gives full play to its strategic advantages and industry influence, joins hands with all partners to explore new cooperation models, and realizes complementary advantages, mutual benefit and win-win results with the concepts of openness, cooperation and win-win.

Cooperation between Banks and Enterprises

In November 2023, the Group signed a strategic cooperation agreement with the Agricultural Development Bank of China. The two parties would carry out comprehensive cooperation in the fields of food and important agricultural product supply security, integrated urban and rural development, warehousing and logistics system construction, and digital development of agricultural supply chains.



Industry Cooperation

In August 2023, the Group actively participated in the Xiamen Matchmaking meeting of the leading enterprises in the port and shipping supply chain, and signed a "five-party" strategic cooperation framework agreement with Xiamen Port Authority, COSCO Shipping Lines, COSCO Shipping Ports and Xiamen Port Holdings Group to jointly build an information-based and intelligent port and promote the high-quality development of the port.

In September 2023, C&D Inc. and Midea Group signed a strategic cooperation agreement. The two parties would carry out comprehensive and in-depth cooperation in product solutions, comprehensive bulk material supply chain services, logistics services, market expansion and other fields to jointly promote longer-term and more valuable development.

International Cooperation

C&D Group actively seeks overseas market opportunities, conducts in-depth exchanges with overseas enterprises, deepens the "going global" of enterprises and the "bringing in" of resources, continuously expands the scale and depth of international cooperation in multiple fields, and shares development opportunities with partners along the "Belt and Road", BRICS countries, RCEP members and other countries and regions.



Non-ferrous metals

In September 2023, C&D Inc. and South Africa PRIME Grand signed an agreement of intention to cooperate.



New energy vehicles

In September 2023, C&D Inc. signed a strategic cooperation agreement with American electric vehicle manufacturer Fisker.



Agricultural products

In May 2023, C&D Inc.'s Agricultural Products Group signed cooperation agreements with Singapore's Olam and Brazil's TIMBRO TRADINGS.A. respectively.



Steel

In July 2023, Cheongfuli (Xiamen) Co., Ltd., a subsidiary of C&D Inc.'s Steel Group, signed a memorandum of cooperation with Conares of the United Arab Emirates.

Boosting Industry Development

The Group actively leverages its resource advantages and professional capabilities to jointly promote the high-quality development of the industry by participating in the construction of industry standards and deepening industry cooperation and exchanges.

- **C&D Inc.** appeared in Shanghai's "China International Import Expo" for the sixth time and participated in the "Forum on High Quality Development of Modern Circulation Enterprises to share C&D's experiences in "internationalization" development strategy of the supply chain with other modern circulation enterprises to help them cultivate global competitiveness.



▼ C&D Inc. participated in the 2023 Forum on High Quality Development of Modern Circulation Enterprises

- **C&D Emerging Industry Equity Investment** held its 2023 Investor Forum themed "Sailing Through Challenges, Building a Stable Future" and C&D Changrong Principal Stable Fund Annual Meeting to discuss private equity fund investment capital strategy.



▼ C&D Emerging Industry Equity Investment held the 2023 Investor Forum

- **C&D Real Estate** held the "Shengshi Tangfeng · Fengya Songyun" Chinese architectural aesthetics new product appreciation ceremony. With the meticulous research and innovation of product strength, it shared the innovative expressions of modern architectural new materials, new technologies, and new processes with industry partners, and jointly launched more new products with contemporary and inheritance value.
- **C&D Urban Services** innovated the "Safety Dual Control" management model, which was selected as an excellent case in the "2023 Typical Case of China's Environmental Sanitation Digital Transformation", demonstrating advanced technology achievements in smart environmental sanitation.
- **C&D INNOSTIC** co-organized the 2023 International Conference on Medical Device Supply Chain and released the "China Medical Device Supply Chain Development Report (2023)" to conduct in-depth discussions on the path to high-quality development of the medical device industry supply chain.

Building Sustainable Supply Chain

C&D Group integrates the concept of responsibility into all aspects of supplier management, strengthens supplier compliance management from aspects such as rights protection, access and contract performance management, and promotes suppliers to actively fulfill their environmental and social responsibilities, helping the "supply chain" to become a "win-win chain".

Valuing Supplier Management

The Group strives to provide a fair and just cooperation environment for suppliers, to protect the legitimate rights and interests of suppliers, to continuously optimize supplier management, and to promote the standardization, transparency and dynamism of supplier management.

Protecting the Legal Rights and Interests of Suppliers

The Group strictly abides by the Anti-Unfair Competition Law, Anti-Monopoly Law, Bidding Law of the People's Republic of China and other laws and regulations, adheres to the principles of equal consultation, mutual benefit and win-win results, and creates a favorable level competition environment for suppliers. At the same time, the Group abides by the spirit of the contract, adheres to integrity management, and earnestly safeguards and protects the rights and interests of suppliers.

Improving Suppliers' Access Mechanism

In terms of "selection" and "employment" of suppliers, various industry groups affiliated to the Group clarify the qualifications of suppliers according to their own business characteristics, strictly carry out supplier access qualification evaluation, and reasonably and effectively select high-quality partners.

- **C&D Inc.** implements strict supply chain management procedures, conducts due diligence on supplier access, comprehensively considers the environmental management system, quality system and other factors of suppliers, and identifies and screens high-quality suppliers.
- **C&D Real Estate** recruits suppliers through bidding and other methods, and sets up bidding management committees at all levels of the group, clusters, business departments and city companies to ensure fair and open recruitment.

Promoting Supplier Performance Management

In terms of supplier "education" and "retention", various industry groups affiliated to the Group continue to improve the supplier evaluation and management mechanism, help suppliers improve their contract performance capabilities, build a stable and healthy supply chain system, and achieve mutually beneficial and win-win development.

- **C&D Inc.** has formulated and implemented regulations such as the "Supply Chain Business Operation Management Regulations", "Supply Chain Business Process Management Regulations", and "Supplier Credit Management Regulations", clarifying supplier assessment and exit mechanisms . At the same time, C&D Inc. dynamically assesses supplier behavioral risks through the digital supplier platform "E zhangxin", implements timely verification feedback for abnormal suppliers, and warns or terminates cooperation in a timely manner.
- **C&D Real Estate** has established a supplier restraint mechanism and a "blacklist" system. The general manager of the project evaluates the suppliers on a monthly basis, and the evaluation dimensions include engineering dimension, warranty progress, coordination dimension and other special matters; Once a supplier is found to accompany the bid, engage in fraud, or cause major quality accidents and complaints due to its own reasons, C&D Real Estate will investigate the legal responsibility of the relevant responsible person and include it in the supplier blacklist.

Practicing Responsible Procurement

The Group is committed to building a sustainable supplier partner ecosystem, promoting the upstream and downstream industrial chain to conduct business in a manner that complies with environmental and social responsibilities, and achieves long-term and stable development. The industry group to which it belongs has formulated documents such as the "Supplier Code of Conduct" and "Supplier Compliance Statement" to clearly regulate the behavior of suppliers, and listed environmental protection regulations, labor rights regulations, business ethics regulations and other contents in the supplier contracts to promote suppliers to fulfill their responsibilities in an all-round and multi-dimensional manner.

Environmentally Friendly

- **C&D Inc.** pays attention to suppliers' green factories, energy consumption qualifications and other indicators, and gives bonus points for state-supported environmental protection projects such as scrap aluminum recycling.
- **C&D Tourism** incorporates factors such as environmental protection, low carbon, and recyclability into the screening and consideration of product and service procurement, reasonably requires suppliers to participate in carbon neutrality plans, sets standards to measure the contribution of partners to carbon neutrality, and implements green procurement strategies to purchase products or equipment with low pollution as much as possible.

Case

C&D Newin actively practices sustainable forest management and wins "FSC Chain of Custody Certification"

C&D Newin Paper & Pulp Corporation Limited, a subsidiary of C&D Inc., actively practices sustainable forest management and has obtained the "FSC Chain of Custody Certification",realizing the traceability of wood and wood products and ensuring that all links of suppliers meet the principles of sustainability from raw material cutting to final products.



▼ FSC Chain of Custody Certification

Labour Rights and Interests

- **C&D Inc.** requires suppliers to commit to internationally recognized human rights standards and pay attention to the working hours, living conditions, minimum wages and corporal/disciplinary penalties of suppliers' employees.
- **C&D Real Estate** actively promotes suppliers to fulfill their social responsibilities in safety, environment and employees:



Business Ethics

- **C&D Inc.** attaches great importance to supplier integrity management and advocates the establishment of long-term and stable integrity cooperative relationships with suppliers. Suppliers are required to sign the "Integrity Agreement" and the "Integrity and Compliance Commitment Letter", promising to abide by all applicable laws and regulations, and not to ask for or give any unit or personnel financial or various nominal kickbacks or handling fees, so as to promote the upstream and downstream industrial chain to conduct business in a manner that conforms to business ethics.

Spreading Responsible Impact

To promote innovative development and improve social well-being, C&D Group adheres to long-termism, capital for good, continues to practice responsible investment, and creates positive influence on the sustainable development of human society.

- As an LP with industrial background and Direct investment capabilities, **C&D Emerging Industry Equity Investment** adopts the multi-strategy approach of "P + D + S" (Preliminary + Direct + Secondary, new funds, direct investment and second-hand funds), focusing on new economic fields such as medical and health, advanced manufacturing, TMT/consumption, etc., and joins hands with GP partners with professional cognitive ability, investment operation ability and management collaboration ability to jointly build an open, inclusive, mutually beneficial and win-win cooperation platform, realize resource sharing and complementary advantages, and incite more funds and social resources to flow to areas that have a positive impact on society and the environment, so that more people can benefit from the beauty and happiness brought by technology and business model innovation.

Laying Out the Medical Track and Serving Health and Well-being

Investment in RemeGen

Support the creation of new biological drugs with great clinical value in major disease fields such as autoimmunity, oncology and ophthalmology, so that independent innovative drugs can benefit more patients and open up the "last mile" of innovative drugs.

Invest in APT Medical

Promote the research and development, production and sales of cardiac electrophysiology and interventional medical devices, with complete coronary access and cardiac electrophysiology medical devices as the leading factor, and peripheral vascular interventional medical devices as the key development direction, committed to independent innovation and minimally invasive development in cardiovascular and cerebrovascular interventional fields.

Focusing on Advanced Manufacturing and Contributing to Building a Great Country

Investing in CNGR Advanced Material

Assist the development of new energy battery material technology, create diversified, customized, rapid development and mass production technical service capabilities and industrial application capabilities, and use new materials to assist in the "heart" transformation of new energy vehicles.

Case

Invest in Zelos to promote the green development of urban logistics

Founded in 2021, Zelos is a global leader in the research and development and application of urban distribution autonomous driving products, integrating technology research and development, product design and commercialization application , successfully realizing mature and large-scale commercial applications self-developed L4 autonomous driving full-stack technology.

As an enterprise that focuses on sustainable development, Zelos is committed to reducing carbon emissions from urban logistics and adopts electrified design in product design to optimize Improve distribution efficiency and create a more convenient, intelligent and green logistics ecosystem. With its outstanding performance in the "double carbon" goal, Zelos won the first the 13th Charity Festival "2023 Dual Carbon Action Contribution Award".



Intelligent unmanned delivery vehicle

Aiming at Consumer Innovation and Embracing Quality Life

Investment in Zhipu AI

Promote the creation of a new generation of cognitive intelligence large models, link hundreds of millions of users in the physical world, bring continuous innovation and change to thousands of industries through a complete model ecology and full-process technical support, and comprehensively improve people's life and work experience.

Invest in Gambol

Support the research and development and production of healthy and safe pet staple foods, snacks, health products and other kinds of pet foods, enhance the scientific nature of pet raising and consumer experience, and help the development of new consumer industries in the era of "it economy".

Inspiring the Growth of Employees

Sharing with Employees

Talent is the driving force that enables enterprises to grow. C&D Group adheres to a people-oriented concept, actively recruiting and cultivating talents. The Group safeguards employee rights through multiple measures, ensures employee care, and is committed to creating a diverse, equal, and inclusive working environment for employees, enhancing their sense of achievement, belonging, and happiness in all aspects.

Contributions to UN SDGs



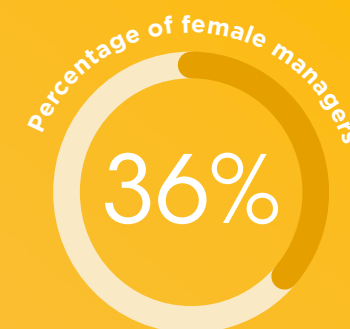
CASS-ESG 5.0 Benchmarking

S1.1-1.8, S1.10, S2.1-2.4, S3.1, V3.1-3.2

Annual Key Performance

Create job positions

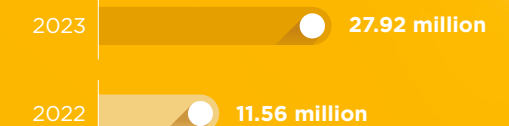
84,711



Create job positions



Training investment RMB



Number of training sessions



Trained Employees Exceed

179,600 Person-Times

Labor contract signing rate

100%

Social security payment rate

100%

Physical examination coverage

100%

Building a Diversified and Fair Employment Platform

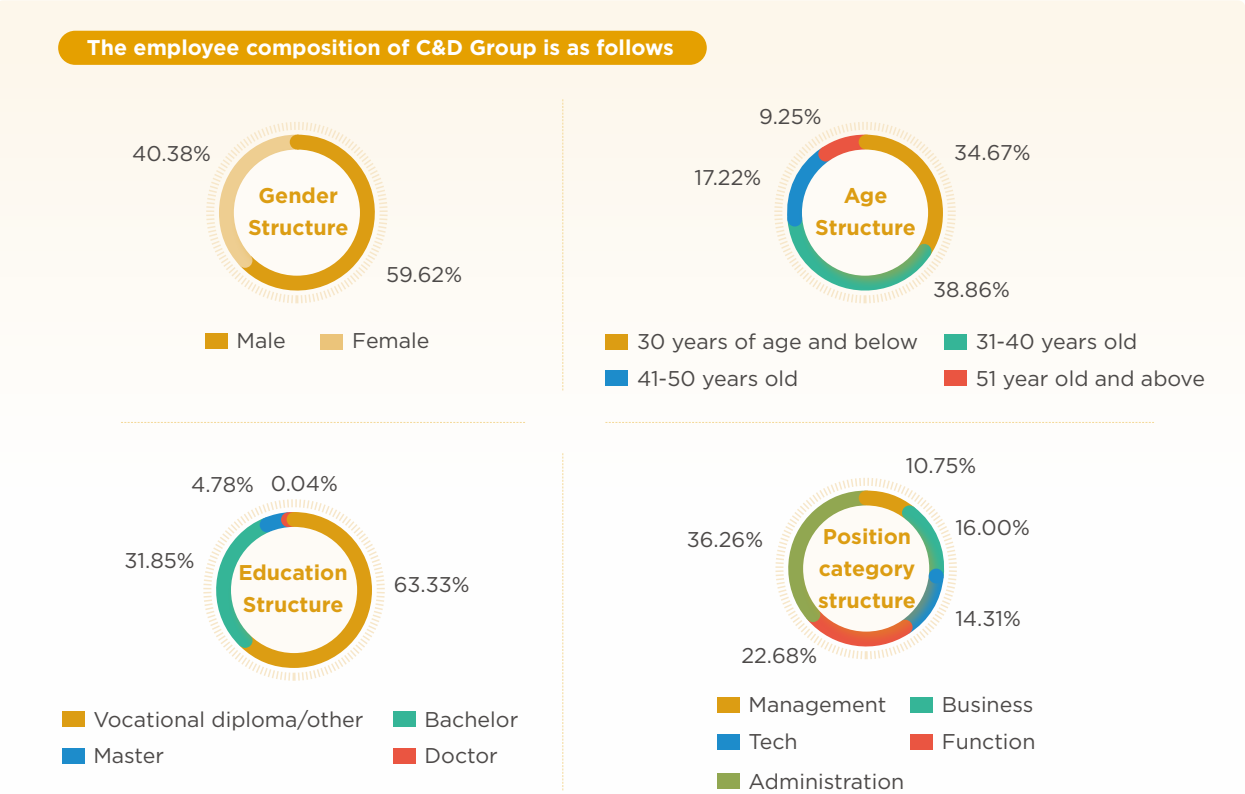
C&D Group actively builds an excellent employer brand, attracts talents from all walks of life, and carefully creates a diversified and fair employment platform to facilitate mutual growth between employees and enterprises.

Adhering to Equal Employment

The Group strictly abides by the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and the labor laws and regulations of the countries and regions in which the Group operates. The Group prohibits the employment of child labor and forced labor, and opposes harassment or bullying in the workplace. In 2023, there were no child labor, forced labor or other violations of human rights policies, or major labor disputes in the Group.

The Group promises not to discriminate against candidates or employees on the basis of race, religion, gender, age, sexual orientation, disability, nationality and cultural background in the recruitment, salary setting, assessment and promotion, training and development, etc. The Group also guarantees that employees receive equal pay, benefits and opportunities, and is opposed to any form of employment discrimination.

As of the end of 2023



Increasing Campus Recruitment

The Group builds diversified recruitment channels to attract talents. Among them, campus recruitment plays an important role in enterprises’ communication and selection of outstanding young talents. In 2023, the Group stepped up its campus recruitment efforts, making new and practical moves in attracting and cultivating talent to offer college graduates better employment opportunities.

School-enterprise Cooperation

The Group continues to deepen its engagement in the integration of industries, universities and research institutes, with many key universities, and signed a contract with Peking University in July 2023 to jointly build an internship practice base.



Joint establishment of internship practice base with Peking University

Campus Recruitment

In May 2023, the Group launched the 2024 campus recruitment campaign, holding seminars at universities in Guangzhou, Shanghai, Beijing and other cities to recruit college students.



2024 campus recruitment campaign in Guangzhou

Spring Campus Recruitment in Hong Kong

C&D Inc. held a special campus recruitment campaign in Hong Kong in the spring of 2023 to actively recruit international young talents and establish ties with young people from Hong Kong and Macao.

In 2023, the Group won numerous awards for its outstanding performance in employer brand.

2024 Human Resource
Management Excellence Award

2023 Top Graduate Employers

2023 China Best Employer Award

2023 Favorite Employer - Shixiseng

2023 China Talent Management Excellence Model Award



Building a Harmonious and Fair Development Environment

C&D Group continues to improve the compensation and benefits system, provide employees with open, fair and just promotion channels, and deepen democratic management to fully respect and protect the legitimate rights and interests of employees.

Enhancing Compensation and Benefits System

The Group provides employees with compensation that is both fair internally and competitive externally, and continues to innovate and improve the compensation and benefits system to attract and retain talents.

Compensation Management and Incentive

The Group adheres to the compensation mechanism of "salary varies with the position" and "ability to have high or low compensation", determines the compensation according to the value contribution of employees' positions and the benchmarking of external markets, and strengthens the "dual benchmarking" of performance appraisal and incentive level based on a market-oriented approach, so as to ensure the positive incentive effect of performance appraisal.

Enhancing Employee Benefits Policy

The Group provides employees with social insurance and housing provident fund, paid annual leave, enterprise annuity, supplementary commercial insurance and other social security and benefits.

Social insurance and housing provident fund

Social insurance and housing provident fund for employees are paid on time. The payment base and proportion are paid in accordance with local laws and regulations to protect the basic welfare rights and interests of employees.

Enterprise annuity plan

In 2023, the Group continued to strengthen enterprise annuity management. As of the end of 2023, the enterprise annuity plan had been fully implemented across all subsidiaries at the third level and above.

Leave System-Enterprise Annuity Plan

In addition to statutory paid annual leave, the Group actively implement systems such as marriage leave, maternity leave, paternity leave, parental leave, breastfeeding leave and one-child care leave to ensure the balance between work and life of employees.

Medical and health protection

In addition to the basic medical insurance, the Group launched a group commercial insurance protection plan for employees, covering outpatient medical insurance, critical illness insurance, accident insurance and life insurance. Meanwhile, employees can insure their families according to the group preferential treatment, which effectively supplements the basic medical insurance and enhances the ability of employees' families to resist risks.

Other benefits

Annual physical examination, EAP mental health consultation service, ikang medical and health service, holiday gifts, anniversary ceremony, staff canteen, staff dormitory, morning and evening commuter shuttle bus, fitness and exercise facilities, etc.

Smooth Career Development Channels

The Group adheres to an open, fair and just promotion mechanism, ensures that the principle of “matching talents with positions” is applied in the selection and appointment of cadres, standardizes the talent promotion process and specific requirements, and ensures the fairness and objectivity of the promotion evaluation mechanism.

In terms of personal development of employees, the Group has established a dual-channel development path of “technology + management”. Meanwhile, the Group leverages the business platforms of the group headquarters and industry groups to facilitate career development interconnection, helping employees realize their personal values by providing them with a development platform.

Deepening Democratic Management

The Group adheres to the implementation of employee management and supervision based on the employee representative conference, formulates the “C&D Group Trade Union Federation Management Regulations” and other systems, establishes organizations such as trade unions, women’s committees. The trade unions at all levels convene annual employee representative conferences in a timely and standardized manner to protect employees’ rights to information, participation, management, supervision, and other democratic rights. In addition, the Group also set up internal platforms such as the Group Leaders’ Mailbox and the Union Mailbox, and collected and implemented employees’ reasonable suggestions through special forums and questionnaires.

In 2023, the employee representative conferences at all levels reviewed and approved a number of systems related to the vital interests of employees, actively implemented annual collective consultation work, and effectively safeguarded the legitimate rights and interests of employees.



Workers' congress site

Building a Balanced Training System

Talent is the primary productive force driving the development of enterprises. C&D Group attaches great importance to the construction of talent team, develops training courses on key competencies at all stages of employees' career development, and builds an online learning platform to comprehensively support employees in improving their professional competitiveness.

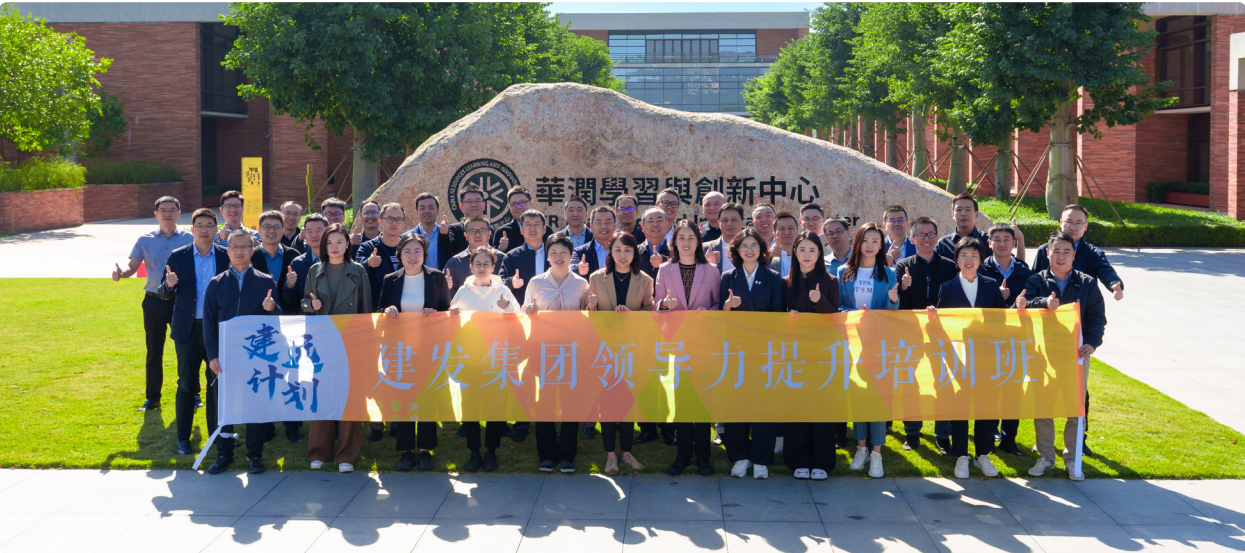
Establishing a Diversified Training System

The Group has established a diversified training system, including “leadership development”, “Talent development” and “General skills development”, to fully tap the potential of cadres and employees, enhancing their business ability and comprehensive quality.

Leadership Development

The Group has created a “3+2” leadership development system, which includes cadre leadership enhancement programs such as the “Jianling Program”, “Jianzhen Program”, and “Jianmeng Program”, as well as reserve cadre development programs such as the “Jianyuan Program” and “Jianyiy Program”. The curriculum system is designed for cadres at different levels and fields based on the requirements of their quality and ability, with an effort to improve their management and leadership capabilities.

In November 2023, the Group completed the first batch of “Jianyuan Program”. The Group conducted 4 sessions of centralized training through the “Invite in, reach out” approach, and held 4 sessions of “Thinking Exchange” online sharing to strengthen communication and mutual learning among trainees. Through two years of training and senior management guidance, 53 trainees have developed their leadership skills, building a reserve talent pool for the Group and ensuring the continuity of the Group’s talent supply.



Jianyuan Program Students “Reach out” to Visit and Study

New Employee Training

In 2023, the Group and its affiliated industry groups conducted onboarding training for new employees to strengthen their comprehensive understanding of the enterprise situation and culture. The training mainly focuses on common contents such as corporate culture, product concepts, and business fundamentals to help new employees quickly complete the role transformation from student to C&D employee.



▼ C&D Real Estate Management Training “Qi Jiansheng” Training Site

Building an Online Learning Platform

To promote the precipitating and sharing of learning resources, the Group has built the online learning platform “C&D Academy” to help talent development through internal high-quality courses and external excellent learning resources.

In 2023, the Group upgraded the “C&D Academy”, successfully integrating the online training platform of the whole Group. By doing so, it achieved the group-wide standardization of learning resources of various industry groups, building a learning platform that is more efficient, flexible and responsive.

As of the end of 2023

Total online learning courses
7,365



▼ C&D Inc. New Employee Training



▼ C&D Exhibition New Employee Training

Creating a Caring and Harmonious Working Environment

C&D Group adheres to the principle of "employee care", strives to create a caring work environment, build a harmonious team, and improve employee satisfaction.

Enriching Employees' Spare Time

The Group actively planned and organized various cultural and sports activities to enrich employees' spare time. In 2023, the Group organized and carried out cultural activities such as quarterly trips, "Women's Day" and "Mid-Autumn Festival" activities; ensured employees' participation in municipal sports meetings, marathons and other events; built a platform for employees' interests, organized annual basketball, badminton and football leagues, strengthening their communication and friendship.



▼ Group Badminton League in 2023

Case

"FaFa-Sprout Festival" Parent-Child Open Day Event

In June 2023, the Group held its first "FaFa-Sprout Festival" Parent-Child Open Day event, attracting over 450 family members from more than 130 C&D families across various industries. The event provided an opportunity for employees' families to understand C&D and enhanced the sense of belonging among employees.



▼ "FaFa-Sprout Festival" Parent-Child Open Day Event

Caring for Special Groups

The Group sincerely listens to the needs of employees, focuses on caring for female employees and employees with difficult family situations, and continues to provide guidance, care and support to employees.

Caring for Women

Trade unions at all levels affiliated to the Group set up Women's Committees in accordance with laws and regulations, signed special collective contracts for female employees on time, safeguarded the legitimate rights and interests of female employees, provided nursing rooms in each office building, and extensively carried out rich and diverse cultural activities for female employees to support "women's power".

Caring for Employees in Need

To care for and help employees in need, the Group set up the "C&D Employee Assistance Fund" and assisted employees in need to apply for the "Jinjiu Student Aid" and "Two Festivals Welfare" of the Municipal Trade Union. At the same time, the Group and its affiliated grass-roots trade unions continue to provide care for employees who are ill or in hospital, weddings, funerals and childbirths, etc., ensuring that employees feel the care and warmth of the Group.

Caring for the Physical and Mental Health of Employees

The Group creates a comfortable working environment and continues to carry out employees' physical and mental health care activities to guide employees to develop a healthy concept.

In May 2023, the Group and C&D Inc. launched a series of "I Love Me" employee care activities, and held activities such as sub-health lectures for office workers, Aroma meditation, and "Love Yourself" online recording to provide physical and mental care to employees.

In November 2023, the Group launched the EAP to provide free psychological counseling, psychological assessment, mental health lectures, mental health course training and other services to employees and their families, all of which were designed to help employees maintain a healthy attitude.



▼ "I Love Me" employee care activities

Co-building a Green Future

Coexisting with Ecology

C&D Group actively practices the concept of preserving lucid waters and lush mountains, pays attention to the harmonious coexistence of human and nature, and continuously increases the ecological environment by supporting the development of green and low-carbon industries, practicing low-carbon operations, and supporting resource recycling. Protection efforts will make the background of green development more vivid and contribute to the construction of a beautiful China.

Contributions to UN SDGs



CASS-ESG 5.0 Benchmarking

E1.1, E1.3, E1.6, E1.8, E2.1-2.4, E2.6, E2.9-2.11, E2.13-2.14, E3.5, E3.10, E4.1-4.3, E5.5.-5.7, V4.4-4.5

Annual Key Performance

Investment in environmental protection is approximately

RMB 38million

0

Major environmental pollution accident

New green building certification project

11

As of the end of 2023, together with the Xiamen Marathon Organizing Committee, we donated

220 thousand sand-fixing plants

Greenhouse gas emissions

1,090,160.15

tons of carbon dioxide equivalent

Total energy consumption

312,839.88

tons of standard coal

Greenhouse gas emission intensity

139.16

t CO₂e /RMB 100 million of revenue

Energy consumption intensity

39.93

tons of standard coal/RMB 100 million of revenue

Green Development and Low Carbon Operations

Focusing on its main business, C&D Group actively responds to the green and low-carbon development strategy, unswervingly follows the path of ecological priority, green and low-carbon high-quality development, invests in green, environmentally friendly and eco-friendly emerging industries, and makes green productivity a high-quality development booster.

Accelerating Green Business Layout

The Group focuses on green technology research and development and product innovation, and promotes the high-quality development of green and low-carbon industries.

Investing in Clean Energy Industries

The Group pays attention to opportunities in the new energy industry, continues to invest in green industries, and continues to deepen and solidify business areas such as distributed photovoltaic power stations, new energy vehicle sales, and lithium battery supply chain to support the development of green and low-carbon industries.

Photovoltaic Business

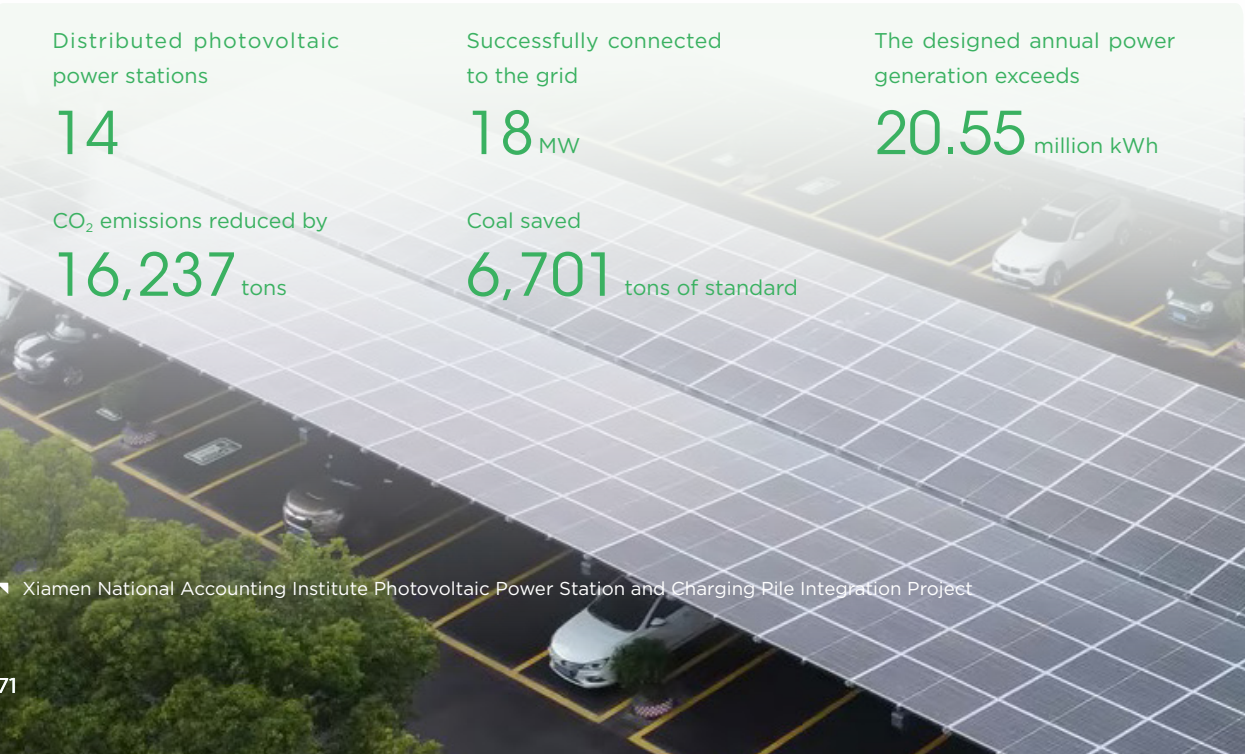
○ **C&D Inc.** integrates internal and external resources, cooperates with industrial parks, automobile cities, and large industrial and commercial enterprises, invests in the construction of distributed photovoltaic power station projects in multiple regions in China, continues to bring safe, green, low-cost clean energy to enterprises, and achieves an organic combination of benefits and environmental benefits. At the same time, C&D Inc. has deployed overseas new energy tracks, vigorously explored in Southeast Asian markets, and committed to becoming an important organizer of overseas supply chain services for China's superior photovoltaic production capacity.

2023 |

C&D Inc. investment in green and low-carbon industries such as photovoltaic power stations

29.1 million

As the end of 2023 |



▼ Xiamen National Accounting Institute Photovoltaic Power Station and Charging Pile Integration Project

New Energy Vehicle Business

○ **C&D Inc.** continues to strengthen cooperation with market-leading and emerging companies, and actively invests in the construction of stores and brand after-sales service systems for new energy vehicle brands such as Lotus, Smart, Avita, Dongfeng MHERO, Zeekr, and Galaxy to provide customers with low-carbon, environmentally friendly and high-quality travel solutions.

At the same time, C&D Inc. established a joint venture company to carry out new energy logistics business, using pure electric heavy trucks as transportation capacity carriers to help reduce carbon emissions in bulk commodity logistics and transportation; Reached supply chain operation business cooperation with DST and Geely Commercial Vehicles to help the new energy transformation and development of commercial vehicles.

Lithium Battery Business

○ **C&D Inc.** cooperates with a number of leading companies in the upstream and downstream of the industry to realize the service layout of the entire industry chain from overseas raw materials to processing plants to batteries. Focusing on the diverse needs of upstream and downstream customers in the industry chain, it provides professional supply chain services for lithium battery materials (such as cobalt sulfate, cobalt hydroxide, tricobalt tetroxide, lithium carbonate, etc.)

Researching Green Products and Services

○ **C&D Inc.** continues to explore green materials and green processes, broadens green and environmentally friendly design ideas, and empowers the sustainable development of upstream and downstream industrial chains.

Green Materials

Actively use green and environmentally friendly materials such as degradable artificial fibers, recycled polyester, recycled cotton, plant fibers, degradable bio-based materials, and negative carbon materials, combined with green printing and dyeing, green technology and other methods, to provide sustainable development service solutions for the textile industry chain.



▼ Environmentally friendly material

Case

Producing paper with bamboo instead of wood helps promote the green development of the pulp and paper industry.

C&D Inc. has innovatively produced its own brand "Qushe" natural bamboo pulp paper. In terms of raw material collection, "Qushe" natural bamboo pulp paper comes from the bamboo forests in Muchuan County, where the local Sinocalamus affinis fiber is suitable for paper making and is a typical clumping plant. It takes three years for the bamboo to mature, and after maturing, it can be harvested annually by cutting the old bamboo and leaving the new ones. Reasonable harvesting can promote the bamboo forest's healthy growth, and the mountains will always be lush and green, thus preventing soil erosion and water loss.



"Qushe" Natural Bamboo Pulp Paper Factory

In terms of environmental technology application, the pulping production line of "Qushe" bamboo pulp paper uses the DDS low-energy super replacement cooking and closed screening technology, which are internationally advanced technologies. The deep delignification of bamboo material and related cleaning technologies have been listed as a major project for the development of major industrial technologies by the National Development and Reform Commission. Compared with wood pulp paper production, every ton of bamboo pulp paper saves one ton of steam consumption. "Qushe" bamboo pulp paper has an energy consumption of about 300 kilograms of standard coal per ton of products, which is about 350 kilograms lower than the national clean standard (650 kilograms of standard coal). In addition, the waste residue from bamboo pulp processing is treated as fertilizer for mushroom cultivation, which can promote local economic development and protect the local ecology.

The total capacity of the pulp factories invested in producing bamboo pulp reaches

3.6 million tons

The cumulative substitution of wood pulp resources is equivalent to reducing the deforestation of

1 million acres of forest.

Lianfa Intelligent Technology Co., Ltd., a subsidiary of Lianfa Group, adheres to advanced concepts such as "humanization", "energy conservation and environmental protection" and "digital intelligence", and independently develops smart energy-saving products and solutions, which have been applied in many fields such as energy, night lighting, water conservancy and water affairs.

Smart Commercial Complex

The whole-process night scene lighting interpretation technology gives China Golden Rooster and Hundred Flowers Film Festival, CBA basketball matches and other activities a green, intelligent and efficient "background color".

Smart night lighting

Join hands with Wanda Commercial Management to build a "smart commercial complex" to help Wanda achieve the management goals of safe and green daily operation and maintenance and cost reduction and efficiency improvement.



Smart night lighting technology

Creating Green and Quality Living Experience with Ingenuity

In the urban construction and operation business segment, the Group actively promotes green buildings and green construction to provide green and healthy living spaces for the public.

Green Building


C&D Real Estate and Lianfa Group actively adopt national and project standards such as "Green Building Evaluation Standard", "Energy-saving Design Standard for Public Buildings" and "Green Design Code for Civil Buildings", focusing on source and process management to build green and environmentally friendly buildings.

Source Manage

Strengthen the application of green, environmentally friendly and energy-saving new processes, new technologies and new materials, such as air source heat pump systems, building information modeling (BIM) technology, green and environmentally friendly building materials, etc.

Process Manage

Strengthen civilized and environmentally friendly construction, actively prevent dust and noise pollution, and reduce the negative impact on the surrounding natural environment and living environment.

2023		Project	Green Building Certification Level
 Group Added 11 Green Building Certification Projects	Hefei Feicui Yunjing		★★★ Three-star green building
	Nanjing Jinding Hexifu, Wuxi Yixing Hexi, Shanghai · Jingyuan, Shanghai · Manyue, Shanghai · Manyun, Aegean Shopping Park Outlets		★★ Two-star green building
	Nanjing Yunyue Guanshan, Nanjing Yunqi, Nanchang Zhuangyuanfu, Fuzhou Zhenrongfu		★ One-star green building



Two-Star Green Building - C&D Real Estate Shanghai · Jingyuan project

- The Shanghai Manyun project is expected to save 745,700 kWh of electricity every year, that is, saving 215.3 tons of standard coal, which is about 50% more energy efficient than conventional residential projects;
- The Shanghai Jingyuan project is expected to save 913,200 kWh of electricity every year, that is, 723.34 tons of standard coal, which is about 60% more energy efficient than conventional residential projects.

Case

Yangtang Residential Area Affordable Housing Project - the only affordable housing project in China that won the 2023 China Human Settlements Environment Model Award

The affordable housing project in Yangtang Residential Area constructed by C&D Real Estate is constructed with reference to green building standards and national sponge city pilot community standards. The community services, commercial outlets and educational services are all available, helping to achieve living and shared development, and enhancing residents' happiness. The project was awarded the 2023 China Human Settlements Environment Model Award, becoming the only affordable housing project in China to win this honor, demonstrating the high-standard construction and high-quality operation capabilities of C&D Real Estate.



Real picture of affordable housing project in Yangtang residential area

Prefabricated Construction

- C&D Real Estate and Lianfa Group actively promote environmentally friendly prefabricated construction processes and materials, and at the same time formulate the "Prefabricated Process Guidelines" " ALC Partition Board Construction Standards "and other technical guidelines comprehensively guide the entire process of prefabricated design and management, and are committed to forming a low-carbon and environmentally friendly industrial construction model.

2023

C&D Real Estate

131 projects under construction adopt prefabricated building technology

Proportion of projects under construction using prefabricated building technology 66 %

The prefabrication rate is up to 50 %

Lianfa Group

Newly added prefabricated 8 construction projects

The total prefabricated area reaches 490 thousand square meters

The average prefabrication rate is 50 %

Continuing to Support Green Exhibitions

Green Theme Exhibition

- C&E Group actively serves green and environmental protection professional exhibitions, displays and promotes environmental protection technologies and products, promotes the research and development and application of green technologies, and drives the development of green economy.

2023

C&E Group has introduced green environmental protection related exhibitions and conferences

14 sessions

The total exhibition area is 205 thousand square meters

Case

C&E Group Services the 23rd China International Fair for Investment and Trade

The 23rd China International Fair for Investment and Trade established new energy and green innovation exhibition area, with an exhibition area of 12,000 square meters, focusing on new energy, clean energy, new energy storage, low-carbon energy conservation, ecological and environmental protection, green innovative industries such as green cities, focusing on displaying new energy and green new technologies, new products, new achievements and advanced applications in the field of innovation.



Site of the exhibition area of the 23rd China International Fair for Investment and Trade

Case

C&E Group Services 24th Conference on the Electric Power Supply Industry



Site of the 24th Conference on the Electric Power Supply Industry

The 24th Conference on the Electric Power Supply Industry was themed "Low Carbon Electricity Powering A Green Future". More than 2,700 delegates and scholars from 18 AESIEAP member states and regions attended the conference, and the exhibition was held at the same time. The exhibition displayed the green innovation achievements of AESIEAP members and over 25,000 visitors participated.

Actively Implementing Green and Low-carbon Concepts

The Group advocates and practices the concept of green and low-carbon, coordinates business operations and energy conservation and emission reduction, and strives to lead a green and low-carbon production and lifestyle.

Low-carbon Operations

The Group actively plans the "carbon peaking and carbon neutrality" construction work, coordinates the promotion of green and low-carbon operations, and promotes the optimization and upgrading of its own energy structure.

- **C&D Inc.** has promised to "achieve carbon peak before 2030 and achieve carbon neutrality before 2060", carried out the 2023 annual carbon inventory work and completed third-party verification, steadily promoted the use of renewable energy, and promoted the carbon goal in an orderly manner.


Energy Efficiency Management

According to their respective business characteristics, the industrial groups of the Group have formulated and improved energy-saving management rules and regulations, and through energy-saving technological transformation, internal energy consumption assessment and other management and technical measures effectively improve energy management efficiency.

- **C&D Inc.** has formulated energy management-related systems such as the "Energy Management System" and "Energy Management Reward and Punishment System", actively promotes the use of environmentally friendly and energy-saving electrical appliances and facilities, strengthens equipment maintenance, and takes multiple measures to achieve energy conservation and emission reduction targets.
- **C&D Property, a subsidiary of C&D Real Estate**, has set energy saving and consumption reduction targets for 2023, which are included in quarterly assessment bonus points. Through energy-saving measures such as air-conditioning room renovation and basement lighting renovation, it has achieved a 5% increase in energy-saving efficiency.

Green Office

The Group actively carries forward the fine tradition of strict economy, integrates green concepts into daily office operations, actively develops conservation-oriented units, formulates the "Administrative Measures for Daily Safety, Energy Saving and Environmental Sanitation of Xiamen C&D International Building" and other systems, and takes multiple measures to promote green office:



Strengthen technological empowerment, use informatization, digital and intelligent means, vigorously promote paperless office, and continuously reduce paper consumption in various business, management and other scenarios.

Advocate green travel and encourage employees to use public transportation instead of private car travel; Open shuttle bus routes to ensure the commuting of employees to and from eligible office locations.

Advocate food conservation, carry out civilized dining "wasteless" action, and put an end to "waste on the tip of the tongue". The canteen adheres to market-oriented operation and reduces waste in purchasing, dining and other links from the source.

Focusing on "management energy conservation", "behavioral energy conservation" and "technical energy conservation", we promote electricity conservation in office places in an orderly manner: save electricity for lighting, turn off lights when people leave, and use more natural light; Air conditioning and refrigeration are controlled above 26 in summer; Advocate reducing the use of elevators, and be able to take the stairs instead of taking the elevator; Prioritize the purchase and use of various energy-saving products, and continue to save electricity and tap potential.

Circular Economy and Waste Management

C&D Group attaches great importance to waste recycling and reuse, continuously expands new business models of waste resource recycling and reuse, reduces waste emissions from its own operations, minimizes waste and consumption of resources, releases "green potential", and achieves a win-win situation of economic growth and resource utilization through circular economy.

Developing Green Circular Economy

Based on its advantages in supply chain operation, the Group is committed to promoting the development of the recyclable resources industry in a more environmentally friendly and professional direction.

- **C&D Inc.** is deeply involved in key nodes of the recycling industry chain such as scrap steel, scrap aluminum, and waste paper, building an efficient waste resource recycling network, completing the closed loop of "resources-products-renewable resources" circulation flow, and helping the development of circular economy.

Steel scrap recycling

Pay attention to the resource reuse of steel scarp plan and build scrap steel industry bases integrating settlement, warehousing, processing and distribution in Benxi, Lanzhou, Baotou, Tianjin and Tangshan, and establish a steel scarp resource recycling flow system with an annual processing capacity of 3.5 million tons to promote the green and low-carbon development of the steel industry and the optimization and upgrading of the industrial structure.

Aluminum scrap recycling

Give full play to our professional advantages in the field of international trade, actively develop aluminum Scrap recycling and reprocessing business, convert European and American aluminum scrap raw materials into recycled aluminum resources through processing plants in Southeast Asia, realize the coordinated development of aluminum scrap recycling and recycled aluminum industries, improve resource utilization efficiency, and at the same time reduce resource consumption and waste emissions, effectively reducing the carbon footprint of the aluminum industry.

In 2023, approximately **470** thousand tons of steel scarp resources were recycled

In 2023, recycled aluminum and recycled aluminum alloy ingots recycled totalled **39** thousand tons

Waste oil recycling

By establishing long-term strategic cooperative relationships with a number of biodiesel and gutter oil refineries, we comprehensively recycle waste resources such as gutter oil and kitchen waste oil, which not only promotes the solution of the gutter oil problem, prevents gutter oil from flowing back to the dining table, but also provides the increasingly exhausted fossil energy to find environmentally friendly and effective alternative energy and reduce exhaust emissions.

Waste paper recycling

Waste paper is used to produce various paper types such as coated paper and kraft cardboard, which effectively saves the use of natural resources such as wood. At the same time, all waste pulp generated in the production process is recycled to replace virgin materials and reduce waste of resources.

In 2023, **200** thousand tons of industrial-grade blended oil, **250** thousand tons of first-generation biodiesel and **20** thousand tons of second-generation biodiesel were be exported and sold

In 2023, **350** thousand tons of waste paper were recycled, and deforestation was reduced by **210** square kilometers

Strengthening Waste Management

The Group adheres to the principles of reduction, resource utilization and harmlessness, strictly manages the discharge and treatment of waste, strengthens the recycling of waste, and strives to reduce the possible impact of waste on the environment.

○ Take classified management measures for domestic waste, shopping mall waste generated during business operation, and general and hazardous waste generated from paper factory operation, so as to minimize the generation and discharge of waste. In 2023, 100% of the production enterprises under C&D Inc. passed the ISO 14001 environmental management system certification.

○ Promote the application of aluminum climb equipment that can be repeatedly used in building construction, promote special mortar and gypsum mortar plastering technology, and reduce construction waste emissions; At the same time, a waste recycling system is established to recycle or reuse the materials obtained from dismantling to reduce the consumption of construction materials.

○ Advocate the use of green, environmentally friendly and reusable exhibition shelf materials, reduce the source emission of exhibition waste, promote the paperless construction of exhibitions, and encourage publicity activities through electronic channels such as LED screens, mobile devices, and QR codes. At the same time, C&E Group has established an exhibition waste classification mechanism to collect recyclable metals and wood and hand them over to professional organizations for recycling.

○ Formulate the "Medical Waste Management Measures of Xiamen Humanity Hospital" to ensure that the collection, storage and treatment of medical waste are legal and compliant; At the same time, we insist on reducing waste at the source, and reduce environmental pollution and demand for raw materials through waste recycling and reuse, so as to reduce resource consumption.



Ecological Environment Management and Protection

C&D Group integrates green and environmental protection considerations into its business operations, actively promotes environmental improvement, water resources utilization management and biodiversity protection, and promotes the harmonious coexistence between man and nature.

Deeply Cultivating Urban Environmental Services

- **C&D Urban Service** adheres to the "refined, intelligent, modern, and characteristic" urban management and maintenance operation model, organically integrates ecological development with improvement of people's livelihood, continues to promote blue sky, clear water, blue sea, and pure land projects, and promotes urban green development as well as shares a green life with the people. In 2023, the Shanhai Health Trail (Yunhai Line, Linhai Line) project managed by C&D Urban Service won the China Human Settlements Environment Model Award.

Renovation of Natural Coastline in Huli District and Xiang'an District of Xiamen City

Carry out marine garbage cleaning activities and use "coastal patrol drones" to accurately identify and locate the quantity and distribution of drifting garbage in the sea, and promote the quality and efficiency of coastline ecological environment management.

A total of approximately 2,500 tons of marine garbage were cleared, and the average distribution density of marine garbage in Xiang'an District decreased by 92.6% compared with that when it first took over in 2021.



Coastal patrol drone

Renovation of marine outfall in Huli District, Xiamen City

Carry out drainage pipeline rectification work such as completion of rainwater and sewage pipes, repair of pipeline defects, renovation of rainwater and sewage diversion, and renovation of outdoor rainwater and sewage mixed connection.

A total of more than 20 projects related to the improvement of marine outfall have been carried out, involving nearly 300 drainage units and 270 kilometers of new and renovated rainwater and sewage pipes.

Dredging of Xiamen Guluo Downstream Water System Park

Comprehensive use of pollution control and water quality improvement measures to improve the pollution problem of park lakes.

The dredging of the lake area was completed in 8 days, and the lifting and restoration were completed in 5 days. A total of approximately 7,250 cubic meters of sludge were removed and transported, and approximately 230 meters of lakeshore stone was restored.

Improve Water Resources Utilization Efficiency

The Group attaches great importance to the efficient utilization of water resources during its operations, and adopts advanced water-saving technologies and management measures to improve the efficiency of water resources utilization and achieve sustainable management of water resources.

- The pulp and paper production business of **C&D Inc.** has formulated a water-saving management system, carried out water-saving plan management and regular assessment, reused wastewater as much as possible, and advocated the use of precipitated reclaimed water to reduce the loss and waste of water resources.
- **C&D Real Estate and Lianfa Group** actively apply the sponge city design concept, focus on the combination of rainwater storage and utilization with ecological water landscape, and improve the accumulation and infiltration of rainwater in some project locations through various forms such as concave green spaces, rain gardens, and rainwater collection facilities as well as purification capabilities to promote the recycling and reuse of water resources.

Promoting Biodiversity Conservation

Biodiversity is the foundation of human survival and development. The Group is committed to protecting wild animals and plants, caring for the natural ecology, protecting a beautiful home with practical actions, and drawing a picture of harmony between man and nature.

Oasis Watch Biological conservation in progress

Xiamen Wuyuanwan Wetland Park

- Implement closed ecological management, conduct 24-hour fixed-point patrols, and conduct regular water quality testing to ensure the safety of wildlife;
- Connect with ecological protection organizations such as bird watching associations, establish resource databases, and use scientific methods to effectively protect wild animals;
- Linkage schools set up nature classrooms to stimulate the public's awareness of ecological and environmental protection through popular science.



Fixed post and fixed point monitoring

Desert control Co-construction of ecological barrier

Alxa League Tengger Desert

- Invite green run families to go to Tengger Desert to plant "Xiamen Marathon Love Forest" and contribute a touch of new green to the afforestation plan;
- Carry out supporting research activities such as tree planting sharing sessions, desert hiking, desert sunrise, cross-country sand washing, desert post office visits, etc., to entertain and convey the concept of ecological and environmental protection;
- A total of 220,000 windbreak and sand-fixing plants were donated, and the "Xiamen Marathon Love Forest" covers an area of about 5,000 mu.



Planting activities of "Xiamen Marathon Love Forest"

Everything is animistic Harmonious coexistence and protection

Xiamen · Shanhai Health Trail

- Actively maintain the greening environment of the mountain, build a wooden house platform for squirrels to rest, set up publicity signs and broadcasts, and promote the protection and publicity of wildlife; Create cultural and creative products with squirrel IP as the carrier, and spread the concept of ecological protection to citizens and tourists.



Squirrel on the Trail

Huandao Road, Xiamen City

- The fifth "Love Xiamen, Safeguarding the Chinese White Dolphins" charity run was held;
- Attract more than 100 people to participate, and deepen the public's sense of participation in the protection of rare marine animal resources.



The 5th "Love Xiamen, Protect Chinese White Dolphins" Charity Run

Protection of ancient trees Scientific protection helps growth

7 streets including Jinhai and Xiangshan in Xiang'an District, Xiamen City

- Use intelligent management and GPS positioning to file ancient trees;
- Supporting high-altitude vehicles, plant protection drones and other mechanical equipment to efficiently carry out refined maintenance operations;
- Use new technologies and materials to simulate and repair potential ancient trees whose trunks are seriously hollowed or rotted due to ant pests and other diseases, so as to ensure the healthy growth of ancient and famous trees.



The banyan tree is 439 years old

Supporting Social Welfare

Integrating with Society

With the mission of "Create new value and enable more people to attain a better quality of life", C&D Group continues to focus on public welfare areas such as Healthcare, culture and sports, rural revitalization, and Education Promotion, and actively responds to the national "Healthy China" and "Common Prosperity" strategy, giving back to the society with practical actions, and fulfilling corporate social responsibilities.

Contributions to UN SDGs <<



CASS-ESG 5.0 Benchmarking <

V1.3-1.4, V3.1-3.7

Annual Key Performance <

Sponsoring Xiamen Marathon for

21_{years}

Total social donations of RMB

27.98_{million}

Participation in Volunteer Service Activities Exceeds

10,000_{Person/Time}

Accumulated purchases of consumer assistance products in Ningxia, Tibet and Xinjiang amounted to nearly RMB

8_{million}

Responding to Healthy China and Enhancing People's Livelihood and Well-being

C&D Group actively responds to the "Healthy China" strategy, supports the development of healthcare undertakings, promotes the prosperity of cultural and sports undertakings, promotes the deep integration of national health and national fitness, and continues to demonstrate new achievements in improving people's livelihood and well-being.

Supporting the Development of Healthcare Undertakings,

C&D Group actively innovated and explored ways to support local livelihoods by initiating the establishment of a charitable fund to establish a tertiary comprehensive hospital - Xiamen Humanity Hospital helping Xiamen accelerate the construction of a high-level healthy city.

Since its opening in September 2018, Xiamen Humanity Hospital has strived to provide services to patients with high-level hardware, superb medical technology and high-quality medical services, and has opened 48 clinical medical technology departments. In 2023, Xiamen Humanity Hospital had an annual outpatient and emergency volume of 772,700 visits and 29,800 discharges.

Xiamen Humanity Hospital is the group's largest social welfare project. As of the end of 2023, the company's cumulative donation investment has exceeded RMB 2 billion.

- **C&D Healthcare** uses its own resources and professional advantages to actively carry out volunteer service projects such as cardiopulmonary resuscitation and AED training, outpatient medical assistance, children's companionship, community free clinics, and health science popularization to better protect people's lives. In 2023, a total of 2,463 volunteers participated in volunteer service activities carried out by C&D Healthcare, with a cumulative service time of 7,653 hours and more than 300,000 people served.
- **C&D Healthcare** targets special groups such as severely disabled people and recipients of minimum living guarantee, and provides three meals a day for patients in need through professional evaluation by medical social workers. Through the implementation of the Love Box Lunch Project, the burden of patients' family life can be reduced. At present, more than 10,330 love meals have been provided to patients in need.
- **C&D Healthcare** gives full play to its own advantages, pays attention to people's livelihood and health, cares for special groups such as the elderly, women, and children, actively carries out offline health activities, and uses new media such as live broadcasts and public accounts to popularize health knowledge. As of the end of 2023, a total of 85 live broadcasts of popular science education have been conducted.



Love meal box



Live broadcast of science popularization

In 2023, the Group donated RMB400,000 in special funds to successively equip 32 automated external defibrillators (AEDs) in specific public places. As of the end of 2023, the Group has donated a total of 113 AEDs. At the same time, C&D Healthcare has launched the "Rescue by Your Side" first aid science popularization volunteer service project. As of the end of 2023, a total of 35 professional first aid knowledge training activities have been carried out, with more than 7,000 citizens participating in the training.



First Aid Training



AED for Shanghai Trail

Promoting the Prosperity of Cultural and Sports Undertakings

The Group is committed to promoting the development of culture and sports to enrich people’s spiritual life, enhance social cohesion and help realize people’s yearning for a better life.

Supporting Chinese Science Fiction IP Development

In December 2023, the “C&D Three-Body Immersive Art Exhibition” sponsored by the Group opened in Chengdu Eastern Suburb Memory. The exhibition covers the wonderful moments and scenes in the “Three-Body” series of works, using a large number of light, shadow and interactive technologies. The perfect combination of science fiction and technology promotes technological innovation in the field of culture and art.

“Three-body” is a science fiction novel by Chinese writer Liu Cixin. It won the best novel award in the 73rd Hugo Awards, becoming an important milestone in Chinese science fiction literature and setting off a wave of “three-body” having a positive impact on international cultural exchange.



“C&D · Three-body Immersive Art Exhibition” scene

Supporting the Development of Artistic Undertakings

The Group organized a series of high-level symphony concerts with Xiamen Philharmonic Orchestra to create an audio-visual feast for the public, and supported the orchestra to participate in domestic and overseas art exchange activities to enhance its popularity at home and abroad.

In addition, the Group assisted in the construction of cultural facilities in Xiamen, invested in the construction of modern concert halls, and contributed to the construction and development of Xiamen’s city image as a “cultural center, art city and music island”.



“C&D · Together Night” Symphony Concert



2023 Xiamen Marathon Scene

Supporting Xiamen Marathon

As the general title sponsor, the Group has been partnering with Xiamen Marathon for 21 years, effectively promoting the development of Xiamen’s sports undertaking and national fitness undertaking, and enhancing Xiamen’s urban influence.

In April 2023, a total of more than 35,000 runners participated in the C&D Xiamen Marathon. This competition invited 16 professional players from Kenya, Ethiopia and other countries, helping Xiamen build it into a window and platform for international exchanges.

At the same time, this competition launched the “Green Xiamen Marathon, Zero Carbon Plan,” advocating for the public to practice a low-carbon lifestyle and promoting the concept of green living.

In addition, the supporting public welfare activity of Xiamen Marathon-“C&D Green Run in Action” celebrated its 10th anniversary. More than 900 people participated in environmental protection activities with the theme of “Advancing towards Low Carbon”.



2023 “C&D Green Run in Action” event site

Realizing Common Prosperity and Sharing the Fruits of Development

By carrying out rural revitalization and Education Promotion activities, C&D Group supports regional development and educational equity to promote harmonious social development.

Exploring Industrial Advantages to Promote Rural Revitalization

Through resource integration and by gathering the strength of all parties, the Group promoted the work of "East-West cooperation" and "Targeted Poverty Alleviation Assistance" according to local conditions, and solidly promoted rural revitalization.

Minning Cooperation

Since 2018, the Group has reached an east-west collaborative development agreement in Minning Town with the People's Government of Yongning County, Yinchuan City, Ningxia Hui Autonomous Region. Adhering to the policy of "building to the best of our abilities, meeting the needs of Fujian and Ningxia making every effort, and creating a model", the Group actively leverages its advantages and gradually enriches collaborative practices such as "Fujian market + Ningxia products" and "Fujian enterprises + Ningxia resources".

Develop industry with production, and let advantageous industries take root here

Relying on the advantages of the industrial chain in the pulp and paper field, the Group partnered with Xiamen Hexing Packaging, Printing Co., Ltd. the leader in the national corrugated packaging industry, to establish Ningxia Jianxing Environmental Protection Technology Co., Ltd. in Minning Town, continuing to contribute to local employment and tax revenue growth, and helping local industrial transformation and upgrade.

In July 2023, C&D Paper Industry Co., Ltd., a subsidiary of the group, founded a wholly-owned subsidiary-Baixing (Ningxia) Household Goods Co., Ltd., officially put into production. Based on the concept of "mountains and seas", the project launched a characteristic household paper brand-"Yijiaxin" conveys the determination to help and the friendship of cooperation between East and West.



The factor of Baixing (Ningxia) Household Goods Co., Ltd.

Let Ningxia's characteristics "go out" by bridging chains

C&D Hengrong Supply Chain, a subsidiary of C&D Inc. , has established a Ningxia Assistance Mall to expand sales channels for nearly 400 kinds of specialty agricultural products in Ningxia. At the same time, it has set up a consumer assistance experience hall to display and exhibit Ningxia's high-quality agricultural products in a centralized way; Its subsidiary C&D Wine Industry has partnered with local wineries in Minning Town to create its own brand "Boya" wine, helping Ningxia's typical wine brands to go abroad. As of the end of 2023, the Assistance Mall has sold more than RMB50 million of Ningxia products, and the group has purchased more than 800,000 bottles of Ningxia wine.



Consumer Assistance Experience Center

Use competition as a medium to make Minning red wine "famous"

In September 2023, the Minning Red Wine Culture Run hosted by the Group in Minning Town, Yongning County, Yinchuan City. More than a thousand runners gathered at the eastern foot of Helan Mountain. The theme of this competition is "Happy, Funny,Running in Minning". The track route passes through vineyards, red wine streets and other characteristic cultural tourism punch-in points, perfectly integrating sports and culture, and polishing the golden signboard of "red wine culture" Minning cultural tourism.



Minning Red Wine Cultural Run Event Site

Targeted Assistance to Tibet

Under the guidance and high support of the Zuogong County Government of Qamdo City, Tibet Autonomous Region and the Xiamen Tibet Assistance Task Force supported by Fujian Province, C&D Hengrong Supply Chain, a subsidiary of C&D Inc., played its role as a state-owned enterprise and participated in the development of plateau wild walnut oil products in Zuogong County. By providing full-Case services such as packaging design, brand output, logistics and customer service, it promoted the development of Zuogong walnut industry and contributed more Xiamen strength to Tibet Assistance cooperation. As of the end of 2023, the cumulative sales of walnut oil products have exceeded 200,000 bottles, with sales exceeding RMB20 million



▼ Plateau wild walnut oil products in Zuogong County

Targeted Poverty Alleviation Assistance

According to the deployment of superiors, the Group and its affiliated industry groups respectively linked to assist seven villages, including Baijiao Village in Tong'an District, Xiamen City and Donghui Village in Jimei District, with industrial assistance, consumption assistance and Charity Assistance as the important point, combined with business characteristics and resources, explore new paths of precise assistance and characteristic assistance, and comprehensively promote the revitalization of rural industries, talents, culture, ecology and organization.

Charity Assistance

In 2023, the Group donated more than RMB500,000 to four primary schools in co-construction villages to support the construction of C&D's "Scholarly Dreams" Hope Library, purchase additional bookCases, computer equipment, etc., and light up rural education with love.

C&D Healthcare donated funds to improve and upgrade the facilities of co-construction village health centers to provide villagers with more convenient and high-quality medical services.



▼ Support the upgrading of rural medical and health facilities

Consumption assistance

The Group vigorously promoted and sold agricultural and sideline products such as tea, rice noodles and fruits of co-construction villages through public welfare fair activities - "Charity Month".

Companies affiliated to the Group actively purchase characteristic agricultural products such as rice and handmade noodles from co-construction villages, and strive to achieve a "double harvest" in terms of income growth and brand promotion for the co-construction villages.

Industrial assistance

In 2023, the Group donated RMB300,000 to support the establishment of a tea cooperative in Baijiao Village, Xiamen City, for the purchase of tea primary processing and packaging equipment, help revitalize rural characteristic industries, and organize employees to go to Baijiao Village to carry out the "G&D Charity Cherry Blossom Garden" Voluntary tree planting to help the development of the rural tourism industry.

By participating in environmental remediation actions in co-construction villages, donating battery sightseeing buses and other measures, The Group helped build large-scale rural green tourism projects, and go to co-construction villages to carry out technical training activities, so as to build a talent cornerstone for industrial revitalization.



▼ "C&D Charity Cherry Blossom Garden" Voluntary Tree Planting Activity

Gathering the Strength of Love to Support the Dream of Students

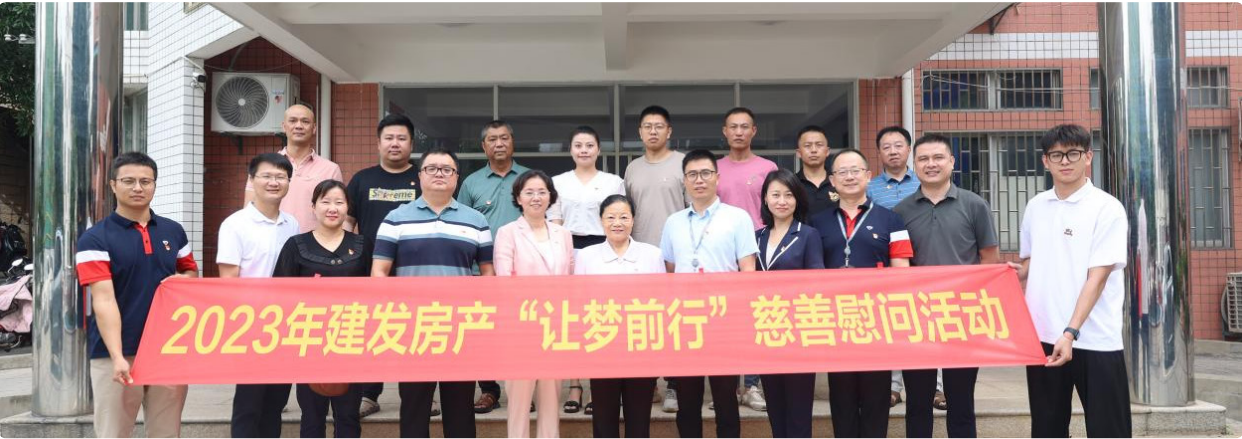
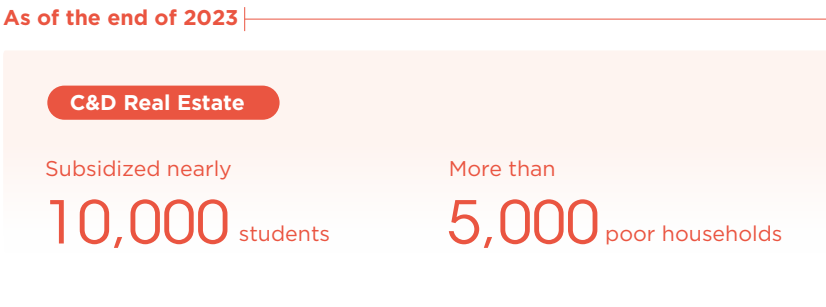
The Group carried out student aid projects such as "Let Your Dreams Go", "Hand in Hand" and ""Spring Buds Project-Companion with Love" to provide support to groups in need and convey social care and warmth.

- Since 2013, **C&D Inc.** has reached a friendly co-construction relationship with Xiamen Ding'an Primary School and launched a "hand-in-hand" student aid project. As of the end of 2023, this student assistance activity has benefited more than 6,000 teachers and students, and the volunteer service time has exceeded 630 hours.



▼ "Hand in Hand" education assistance activity site

- Since **C&D Real Estate** established the C&D Real Estate Charity Fund in 2007, it has formed a number of student assistance public welfare projects such as "Let Your Dreams Go", "Warmth for the Needy" and "Nourishing Youth". In September 2023, it won the China Charity Federation's "2022 Caring Enterprise of the Year" honor.



▼ "Let Your Dreams Go" charity visit event site

- Since 2013, **Lianfa Group** has participated in the "Spring Buds Project-Companion with Love" education assistance activity for 11 consecutive years. In August 2023, it continued to donate RMB600,000 to support the project. As of the end of 2023, this activity has served more than 2,000 students.

Building Dreams with Love and Drawing a Beautiful Blueprint Together

C&D Group vigorously promotes the concept of dedication to giving back to the society, encourages employees to participate in public welfare, and keeps the spirit of volunteer service continuously shining.

Case

The Group's second "Love Charity Month" event

In September 2023, on the occasion of the "China Charity Day," the Group held its second "Love Charity Month" event. More than 160 employees participated in the blood donation activity, with a total donation of 46,000 milliliters of blood; over 20,000 people participated in the donation activity, with a total donation amount exceeding RMB1.6 million yuan, and more than 1,600 pieces of charity sale items were accumulated.



▼ Blood donation

Case

C&D Inc. launches the "Global Charity Action Plan" initiative

In 2023, C&D Inc. initiated the "Global Charity Action Plan" and developed the LIFT Volunteering mini-program. Together with the community, they continuously explored the community-enterprise co-building model and carried out volunteer service activities such as creating a civilized and clean home environment and visiting and comforting the needy. By the end of 2023, C&D Inc. had conducted more than 280 public welfare activities, with over 8,800 volunteers participating who accumulated more than 3,400 hours of volunteer service.



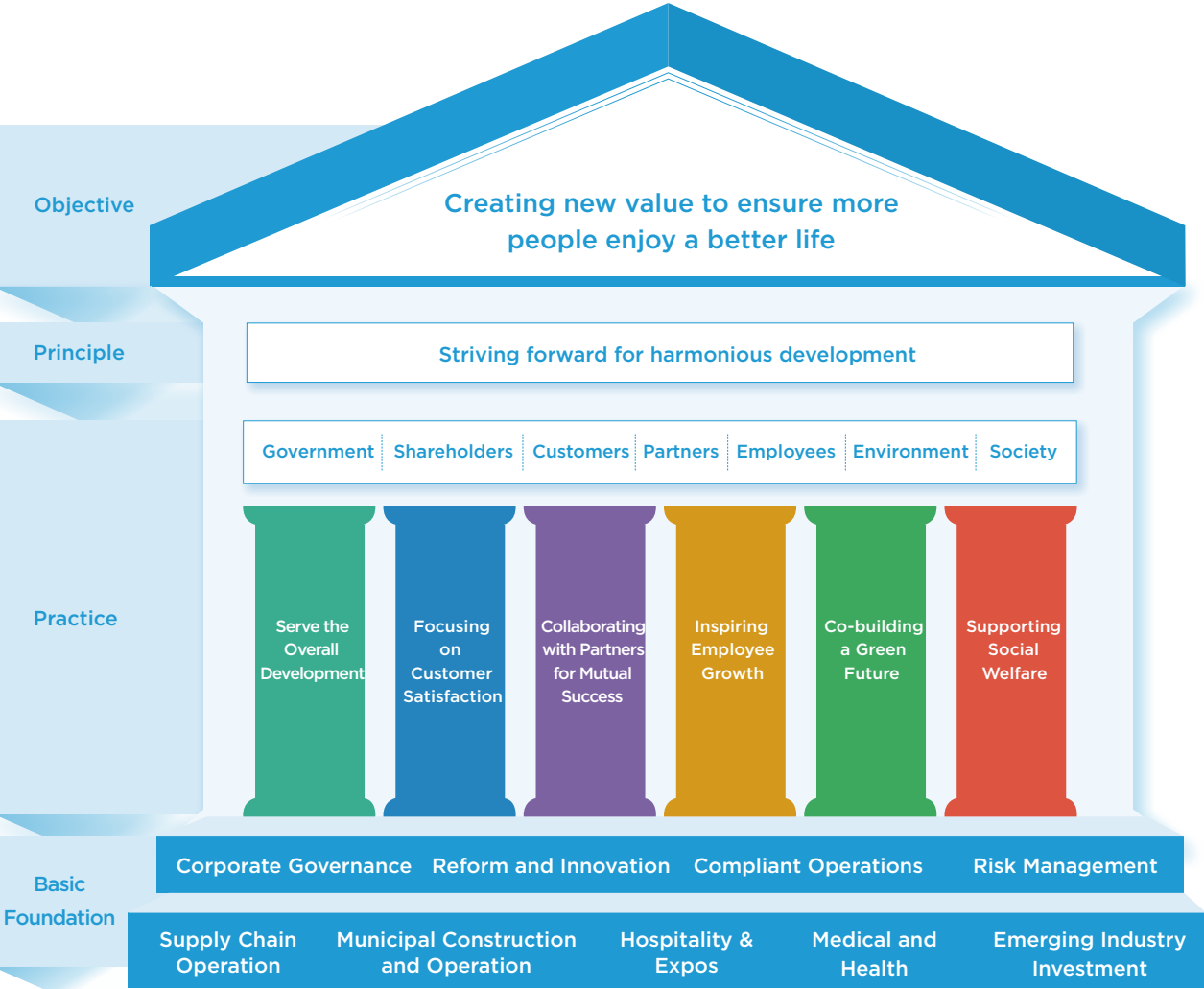
▼ Global Charity Action Plan

Sustainability Management

C&D Group integrates the concept of sustainable development into corporate governance, continues to explore a sustainable governance system in line with its characteristics, builds a scientific and reasonable sustainable development model and governance structure, continuously improves its management and responsibility performance capabilities, strives to create sustainable development value for shareholders, customers, partners, employees and other stakeholders, and seeks the coordinated development of corporate benefit growth and social good.

Sustainability Model

Guided by the corporate mission of "Creating new value to ensure more people enjoy a better life", C&D Group has built a sustainable development model supported by the four key modules of "objective, principle, practice and foundation", and deeply integrated it into daily operations and management. Based on the sustainability model, we work together with all stakeholders towards a more sustainable and promising future.



▼ C&D Group's Sustainability Model

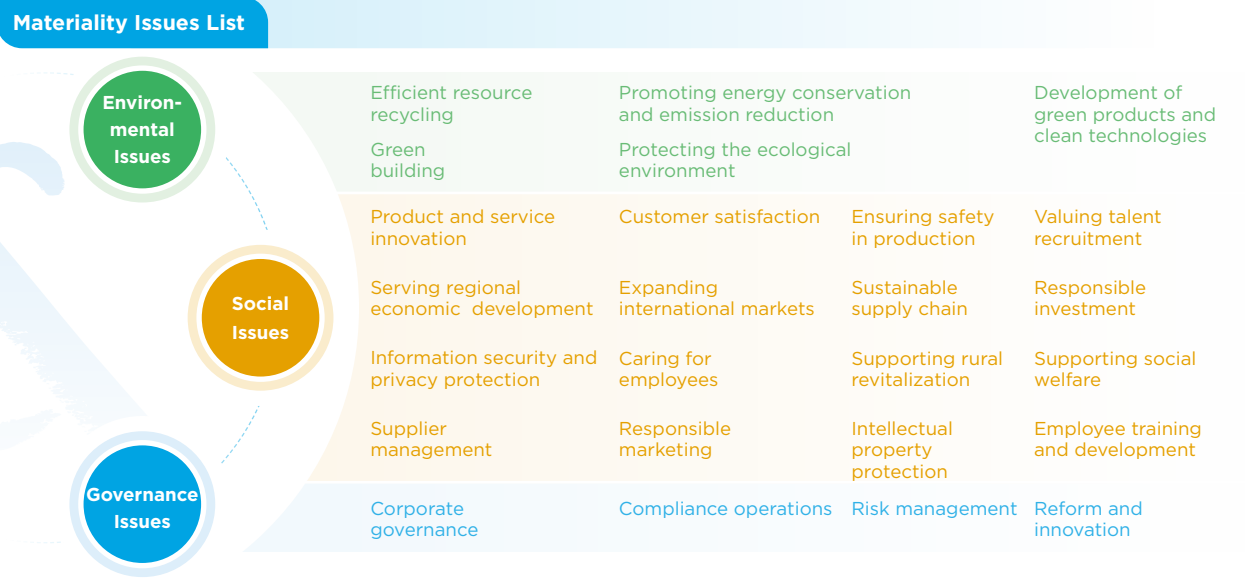
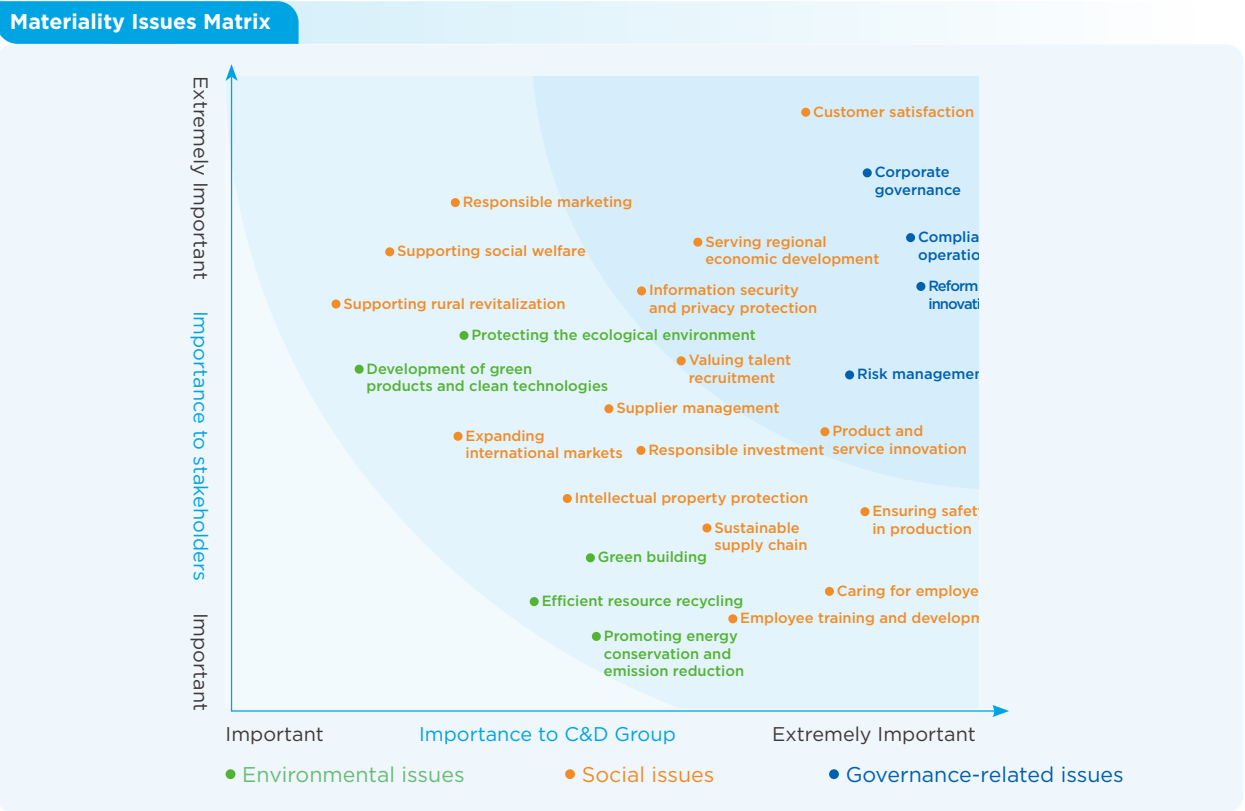
Sustainability Governance

A sound sustainable development governance mechanism is the cornerstone to promote the steady operation and long-term development of enterprises. The Group has established a three-tier sustainability governance framework consisting of the Board of Directors, Sustainability Leadership Group (with Sustainability Working Group) and affiliated industry groups, and defined the roles and responsibilities at each level to promote the deep integration of sustainable development and corporate management, laying a solid foundation for the high-quality development of the company.



Materiality Issue Management

During the year, the Group followed standards such as the "GRI Sustainability Reporting Standards" and the "Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 5.0)" to collect ESG concerns from relevant departments through internal interviews and understand the expectations and requirements of different stakeholders, and determined the ranking and matrix of materiality issues based on the analysis results of industry and market development trends and peer benchmarking, effectively responding to the demands of internal and external stakeholders.



Stakeholder Communication

The Group attaches great importance to communication and exchange with stakeholders, actively builds an all-round and multi-channel communication system, fully listens to and actively responds to the expectations and demands of stakeholders, and strives to make C&D Group an outstanding enterprise with shareholder trust, customer satisfaction, employee enthusiasm, social respect, and full of positive energy and vitality.

Expectations and appeals	Stakeholder	Communication channels and methods
Compliant operations Deepening reform of state-owned enterprises Serving the country and regions	 Government	Information reporting Special reports Responding to government initiatives
Maintain and increase the value of state assets Protecting shareholder interests Strengthening risk management and control Information transparency	 Shareholders	Shareholders' meeting or general meeting of shareholders Information disclosure and communication Company website and WeChat official account
Product and service innovation Customer rights and privacy protection Enhancing customer satisfaction	 Customers	Media publicity Handling customer feedback and complaints Customer satisfaction surveys
Transparent procurement Integrity in cooperation Promoting responsible investment Building a sustainable supply chain	 Partners	Disclosing bidding information Cooperation, communication and meetings Environment and risk management in supply chain
Ensuring health and safety Protection employee rights Smoothing development channels Caring about life of employees	 Employee	Provide safe working conditions Workers' Congress Employee Training Employee Symposium and Research
Responding to climate change Protecting the ecological environment Implementing energy conservation and emission reduction	 Environment	Promoting distribution of green industry Practicing green and low-carbon operations Engaging in green environmental public welfare
Information transparency	 Media	Information disclosure Press conferences and interviews Special news campaigns
Promoting community development Supporting social welfare	 Public	Conducting public welfare activities Organizing volunteer activities

Appendix

Key Performance Indicator

Environmental

Index	Unit	2023
Energy		
Direct energy consumption	Tons of standard coal	177,761.58
Indirect energy consumption	Tons of standard coal	135,078.30
Total energy consumption	Tons of standard coal	312,839.88
Energy consumption intensity	Tons of standard coal/RMB100 million of revenue	39.93
Water resource		
Fresh water consumption	Cubic meter	9,869,406.83
Intensity rate	Cubic meter/RMB100 million of revenue	1,259.82
Recycled water consumption	Cubic meter	113,746.00
Greenhouse gas emissions		
Greenhouse gas emissions Scope 1	Tons of carbon dioxide equivalent	465,535.28
Greenhouse gas emissions Scope 2	Tons of carbon dioxide equivalent	624,624.87
Total greenhouse gas emissions	Tons of carbon dioxide equivalent	1,090,160.15
Greenhouse gas emission intensity	Tons of carbon dioxide equivalent/RMB100 million of revenue	139.16
Environmental management		
Investment in environmental protection	RMB 10 thousand	Approximately 3,800

Social

Index	Unit	2023
Number of job positions provided	Position	84,711
Total number of new employees	Person	19,571
Proportion of female employees	%	40

Social

Index	Unit	2023
Proportion of female managers (including management cadres of the Group and directly-affiliated enterprises)	%	36
Labor contract signing rate	%	100
Trade union membership rate	%	100
Social insurance contribution rate	%	100
Physical examination coverage rate	%	100
Capital investment in employee training	RMB 10 thousand	2,792
Number of employee training sessions	Times	9,263
Total number of employees trained	Person/time	179,600
Investment in production safety	RMB 10 thousand	Nearly 4,000
Number of safety emergency drills	Time	2,700
Number of major safety accidents	Time	0
R&D investment	RMB 100 million	Approximately 3
Patents, trademarks and copyrights held	/	3,710
Payment of taxes	RMB 100 million	378
Total social donations	RMB 10 thousand	2,798

Governance

Index	Unit	2023
Revenue	RMB 100 million	7,834
Total assets	RMB 100 million	8,872
Total profit	RMB 100 million	218
Payment of various taxes	RMB 100 million	378
Return on equity	%	11.38
Overall labor productivity	Ten thousand yuan/person	89.98
Fortune 500	Rank	69

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Rating Report

Rating Report of 2023 Sustainability Report of Xiamen C&D Corp., Ltd

Entrusted by Xiamen C&D Corp., Ltd., the Chinese Expert Committee on CSR Report Rating selected experts to form a rating team to rate 2023 Sustainability Report of Xiamen C&D Corp., Ltd. (hereinafter referred to as "the Report").

I. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) of the Chinese Academy of Social Sciences and China Corporate Social Responsibility Report Rating Standards (2020) of "Corporate Social Responsibility Report Rating Expert Committee of Chinese Enterprises".

II. Rating Process

- 1. The rating team reviews and confirms the Process Data Confirmation of Corporate Social Responsibility Report submitted by the report writing group and relevant supporting materials;
- 2. The rating team conducts evaluation on the preparation process and the content disclosed by the Report, and then drafts the rating report;
- 3. The Vice Chairman of the Rating Expert Committee, the leader of the rating team, and the experts of the rating team jointly sign the rating report.

III. Rating Results

Process ★★★★★

The Company has led the establishment of sustainability leadership group in which the chairman serves as the head of the group to control the overall direction of the sustainability-related work and be responsible for the final review of the Report; the Report, with definite function value position, is taken as an important tool for disclosing responsibility performance, strengthening the communication among stakeholders and enhancing corporate image; substantive issues are identified based on the national macro policies, international and domestic social responsibility standards, and industry benchmarking analysis; the affiliated C&D Healthcare and C&D Emerging Industry Equity Investment are promoted to prepare sustainability reports, contributing to improve the reporting system; the Report is planned to be published on the official website and will be presented in the form of electronic version, print and vertical scroll image, with leading performance in process.

Materiality ★★★★★

The Report systematically discloses the key industrial issues such as product quality management, product innovation, occupational health management, production safety, research and development of environmental protection technologies, saving energy, reduction of emission of "three wastes", and environmental management around plants, with detailed and full description and leading performance in materiality.

Integrity ★★★★★

The main body of the Report discloses 81.69% of the core indicators of the industry from the perspectives of "serving the overall development, resonating with the times", "focusing on customer satisfaction, co-creating with users", "collaborating with partners for mutual success, developing with partners", "inspiring employee growth, sharing with employees", "co-building a green future, coexisting with ecology" and "supporting social welfare, integrating with society", with leading performance in integrity.

Balance ★★★★★

The Report reveals the negative data such as "major environmental pollution accident", "number of major safety accidents", "child labor, forced labor or other violations of human rights policies, or major labor disputes", and "timely handling rate of customer complaints", with outstanding performance in balance.



Comparability ★★★★★

The Report makes a horizontal comparison on the data such as "No.69 place among 2023 Fortune Global 500", "No.21 place among 2023 Top 500 Chinese Enterprises", "No.11 place among 2023 Top 500 Chinese Service Enterprises", and "No.1 place among Top 100 Fujian Enterprises in 2023", with developing performance in comparability.

Readability ★★★★★

The Report is framed by the key words "resonating with the times", "co-creating with users", "developing with partners", "sharing with employees", "coexisting with ecology", and "integrating with society", systematically disclosing the actions and effectiveness of corporate responsibility, and comprehensively responding to the expectations and demands of stakeholders; taking "sustainability highlights", "sustainability honor" and "annual sustainability performance" as the annual focus, the Report responds to the United Nations Sustainable Development Goals (SDGs) and provides chapter navigation for readers to grasp important information; the Report presents a simple design style, with a great combination of text and visuals, significantly enhancing the reading experience, with leading performance in readability.

Innovativeness ★★★★★

Taking "digital intelligence transformation leads the future and gains momentum to core competitiveness" as the annual topic, the Report highlights the company's practices in digital intelligence transformation, demonstrating the responsibility of a state-owned enterprise; the company formulates the "Measures for the Management of Sustainable Development of Xiamen C&D Group Co., Ltd." and builds a sustainable development management indicator system covering the three major areas of environment, society and governance, promoting the systematic and regularized development of sustainable development management; first participation in third-party report ratings enhances the standardization of information disclosure and report management, with leading performance in innovativeness.

Overall Rating ★★★★★

According to the rating team's assessment, 2023 Sustainability Report of Xiamen C&D Corp., Ltd. is of four-star rating, being an outstanding corporate social responsibility report.

IV. Improvement Suggestions

- 1. Increase the disclosure of core indicators of the industry to improve the integrity of the Report;
- 2. Increase the disclosure of cases related to inadequate fulfillment of responsibilities to improve the balance of the Report;
- 3. Increase the disclosure of comparative data of key indicators to improve the comparability of the Report.



Scan QR Code to View Enterprise Rating Files

Vice President of Chinese Expert Committee on CSR Report Rating

黄群慧

Leader of the Rating Team

王文

Expert of the Rating Team

张青

Issuance date: September 30, 2024



About the Report

This Report is the 2023 sustainability report (the "Report") published by Xiamen C&D Corporation Limited (referred to as "C&D Group", "the Group" or "we"). Adhering to the principles of objectivity, standardization, transparency, and comprehensiveness, this Report systematically presents C&D Group's sustainability development concept, practices, and achievement to all stakeholders

Basis of Compilation

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 5.0) by Chinese Academy of Social Sciences;
Guidelines to the State-owned Enterprises on Better Fulfilling Corporate Social Responsibilities by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC);
GRI Sustainability Reporting Standards (GRI Standards) by Global Sustainability Standards Board (GSSB);
United Nations' Sustainable Development Goals (SDGs)(UN SDGs).

Time Span

The Report covers the period from January 1, 2023 to December 31, 2023 (the "Reporting Period"). Considering the continuity, comparability, and forward-looking nature of the disclosed matters, some contents may be beyond this frame.

Scope of the Report

The Report primarily focuses on C&D Group and covers both the headquarters and affiliated industry groups:
Xiamen C&D Inc. (referred to as C&D Inc.)
C&D Real Estate Corp., Ltd. (referred to as C&D Real Estate)
Lianfa Group Co., Ltd. (referred to as Lianfa Group)
Xiamen C&D Tourism and Hotels Inc. (referred to as C&D Tourism)
Xiamen Conference & Exhibition Group Inc.(referred to as C&E Group)
Shanghai C&D INNOSTIC Medical Technology Group Co., Ltd (referred to as C&D INNOSTIC)
Xiamen C&D Healthcare Group Co.,Ltd. (referred to as C&D Healthcare)
Xiamen C&D Urban Service and Development Inc.(referred to as C&D Urban Service)
Xiamen C&D Emerging Industry Equity Investment Co., Ltd. (referred to as C&D Emerging Industry Equity Investment)

Information Description

The information used in the Report is derived from official documents, statistical data, and financial reports of the Group. It also includes sustainability-related information that has been compiled and audited by the affiliated industry groups. The currency type and amounts mentioned in this Report, unless otherwise specified, are in Chinese Renminbi (RMB).

Report Acquisition

The Report is published in both electronic and printed formats. The electronic version of the Report can be accessed and downloaded from the Group's official website (www.chinacdc.com).

Readers' Feedback

Dear readers:

Thank you very much for taking the time to read the Report. In order to further enhance the management and practices of C&D Group's sustainability, we highly value and look forward to hearing your valuable opinions and suggestions.

1. What type of stakeholder do you belong to?

☐Government☐Shareholder☐Client☐Public☐Partner☐Employee☐Media

2. What is your overall evaluation of the Report?

☐Excellent☐Good☐Fair☐Poor☐Very Poor

3. How would you rate the authenticity, accuracy, and effectiveness of the information and data disclosed in the Report?

☐Excellent☐Good☐Fair☐Poor☐Very Poor

4. How do you think the Report reflects the comprehensiveness of C&D Group's sustainability efforts?

☐Excellent☐Good☐Fair☐Poor☐Very Poor

5. How do you think the structure and arrangement of the Report?

☐Excellent☐Good☐Fair☐Poor☐Very Poor

6. Do you think the language, content organization, and layout design of the Report are easy to read?

☐Excellent☐Good☐Fair☐Poor☐Very Poor

7. What are your opinions and suggestions regarding the sustainability efforts of C&D Group and the Report?



Feedback form for C&D Group's 2023 Sustainability Report

You can contact us through email or other ways:

Tel: 86-592-2263333
Email: info@chinacdc.com
Contact Address: C&D International Building, No. 1699, Huan Dao East Road, Xiamen, China
Postal Code: 361000